

IN THE COURT OF THE TRANSPORT TRIBUNAL
TRANSPORT ACT, 1947—PART V

IN THE MATTER OF THE APPLICATION OF THE
BRITISH TRANSPORT COMMISSION (1953 No. 134)

TO CONFIRM THE
BRITISH TRANSPORT COMMISSION
(PASSENGER) CHARGES
SCHEME, 1953

FRIDAY, 17TH APRIL, 1953

TWENTIETH DAY

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PROCEEDINGS OF THE TRANSPORT TRIBUNAL

FRIDAY, 17th APRIL, 1953

PRESENT:

HUBERT HULL, Esq., C.B.E., (*President*)
A. E. SEWELL, Esq.
J. C. POOLE, Esq., C.B.E., M.C.

Mr. HAROLD I. WILLIS, Q.C., Mr. E. S. FAY, and Mr. KENNETH POTTER (instructed by Mr. M. H. B. Gilmour, Chief Solicitor to the British Transport Commission) appeared on behalf of the British Transport Commission.

Mr. H. V. LLOYD-JONES, Q.C., Mr. LEON MacLAREN, and Mr. GEORGE MERCER (instructed by Mr. J. G. Barr) appeared on behalf of the London County Council.

Mr. GEOFFREY LAWRENCE, Q.C., Mr. J. RAMSAY WILLIS and Mr. CHRISTOPHER HODSON and Mr. W. J. GLOVER (instructed by Sir Clifford Radcliffe, C.B.E., Solicitor and Clerk to the Middlesex County Council) appeared on behalf of the following County Councils: Middlesex, Berkshire, Buckinghamshire, East Sussex, Essex, Herefordshire, Kent and Surrey.

Sir SHIRLEY WORTHINGTON-EVANS (instructed by Mr. Desmond Heap, Comptroller and City Solicitor) appeared on behalf of the Corporation of London.

Mr. J. RAMSAY WILLIS and Mr. W. J. GLOVER (instructed by Mr. W. O. Dodd, Deputy Town Clerk) appeared on behalf of Brighton Corporation.

Mr. LEON MACLAREN (instructed by Messrs. Blatchfords) appeared on behalf of the London Printing and Kindred Trades Federation.

Mr. G. R. ROUGIER (instructed by Mr. Archibald Glen, Town Clerk) appeared on behalf of Southend-on-Sea Corporation.

Mr. G. R. ROUGIER appeared on behalf of County Borough of Southend-on-Sea Railway Travellers' Association.

Mr. D. J. TURNER-SAMUELS (instructed by Mr. W. H. Thompson) appeared on behalf of London Trades Council.

Mr. GEOFFREY RIPON (instructed by Mr. R. H. Buckley, Town Clerk) appeared on behalf of East Ham County Borough Council.

Mr. GEOFFREY RIPON (instructed by Mr. G. E. Smith, Town Clerk) appeared on behalf of West Ham County Borough Council.

Mr. GEOFFREY RIPON (instructed by Mr. G. E. Smith, Town Clerk) appeared on behalf of South-West Essex Traffic Advisory Committee.

Mr. C. OSMOND TURNER (instructed by Messrs. Carpenter, Wilson & Smith) appeared on behalf of London Passengers' Association.

Mr. GERALD W. REYNOLDS represented London Federation of Trades Councils.

(*Mr. G. R. Rougier*): May it please the Tribunal, on behalf of the Southend Corporation and the Southend Railway Travellers' Association, I do not propose to call any witnesses. I am only addressing you.

I do not propose to deal with the question of whether the increased demands that the Commission are asking for here are justified or not. For that, I am content to shelter behind the large objectors—Middlesex and the London County Council, mainly—who have attacked that principle, and I adopt their cross-examination and their contention with regard to that. But I am confining myself solely to the question of whether the demands that they are making upon the London, Tilbury and Southend Line, at least with regard to that part that is east of Upminster, are justified or not. First of all, Sir, I wish to attack the

Miss DOROTHY D. FORSTER represented the Walthamstow Trades Council.

Mr. J. W. SYKES represented Edmonton Trades Council.

Mr. F. A. RULER represented the Federation of Residents' Associations in the County of Kent.

Mr. H. S. VIAN-SMITH represented The Association of British Chambers of Commerce.

Miss H. C. HART represented The National Association of Women Civil Servants.

Mr. N. J. LEWISON represented Whyteleafe & Kenley Residents' Association.

Mr. C. M. HAMILTON represented The Accountant-General's Department, Civil Service Clerical Association (Bickley Branch).

Mr. HYMAN FRANKEL represented The National Union of Bank Employees.

Mr. J. F. PLEYDELL represented Pitsea, Vange & District Resident Ratepayers' Association.

Mr. STANLEY MAYNE represented the Institution of Professional Civil Servants.

Mr. D. KELLY represented the South Essex Branch of the Communist Party.

Mr. J. E. MORRISH represented the Post Office Engineering Union.

Mr. J. REID represented the London North and London South District Committees of the Amalgamated Engineering Union.

Mr. ALEXANDER HALLIDAY represented the North London District of the Amalgamated Union of Operative Bakers, Confectioners and Allied Workers.

Mr. D. J. D. WELLUM represented the Benfleet & District Railway Travellers' Association.

Mr. S. M. NEUFELD represented the Students' Council, the Polytechnic, Regent Street.

Mr. J. MOSS represented the National Union of Furniture Trade Operatives (London District Committee).

Mrs. E. A. HUNT represented the Association of Scientific Workers (London Area Committee).

Mr. W. Trott, representing the Amalgamated Engineering Union, Deptford, No. 2 Branch.

Mr. A. A. DRIVER, representing the Students' Union of the London School of Economics.

Mr. M. GRAHAM, representing Debden Welfare Advisory Committee.

basis upon which the calculations on behalf of the Commission have been made. I submit to you, Sir, that they have, in fact, mistaken the shadow for the substance, because the true principle, I contend, upon which all charges should be made is that the charge should be proportionate to, or bear relation to the cost of the services provided. And you will remember, Sir, that that was the thesis of Professor Carter's paper. Now the Commission have proceeded upon a totally different basis, an impractical one and one which I think Professor Carter has shown is a false one. Their basis of charge is always that there should be a uniform charge per passenger mile in each of the two units into which they have, arbitrarily and for their convenience, divided the whole of the undertaking that is on the country. I shall refer to the question of units, and what are proper units, later,

17 April, 1953]

[Continued]

but I wish to point out that the principle, which I maintain is a false principle, which they have adopted immediately runs them into difficulties, because it cannot be applied here unless it at once becomes full of inconsistencies.

For instance, in this system, if we take the charge per passenger mile, there would be no room for tapers and, indeed, whenever Mr. Valentine considers the question of tapers he expresses extreme horror of them, and yet throughout the charges of the Commission and after this Scheme (if it is carried into effect) does come into effect, there would be nothing but tapers. I think I am right in saying that there would be no service and no class to which some taper or other would not be applied.

There is another question which shows there must be other considerations beyond mere transport per mile—the question of the service you provide. And the obvious one, of course, is the first-class charge, the 50 per cent. extra that is charged for greater comfort and greater space, greater cleanliness and so on; special charges, for instance, for boat trains, where you pay for special services running with extra comfort and extra speed and for particular purposes. Now I concede at once that it would not be practicable to charge, to cost, each individual service. You could not run a system whereby each individual pays the cost of each individual journey—that each journey should be worked out and a charge made accordingly. It is quite obvious that you have to average to some degree, and one must envisage average units. But I do say that there should be a number of units, and it is quite wrong too that only one unit, as Professor Carter pointed out . . . may I refer you to page 5 of his paper and what he says about that? He is dealing there with the fearsome dragons of the public who are supposed to insist on uniformities.

(President): We have heard a good deal about Professor Carter. It may be that everyone else in this hall knows who Professor Carter is, but would you tell me has Professor Carter ever had any practical experience of railway administration?

(Mr. Rougier): I have some information about Professor Carter, which is extracted from "Who's Who". He is not a professional railway man, but a Professor of Applied Economics at Queen's University, Belfast. He was a lecturer in Statistics at the University of Cambridge 1945-51, Fellow of Emanuel College 1947-51. Joint Editor London & Cambridge Economics Service 1947-51. Publications jointly Measurement of Production Movement 1948. Articles in *Economics Journal*. His recreation is given as Railways, but, as far as I know, he has never been employed in any capacity on railways.

(President): Do you know whether he has offered his advice to the Ulster Transport Authority?

(Mr. Rougier): He does mention in his paper the question of the Ulster Transport Authority, but I think he is a scientific gentleman who deals theoretically with the true principles, the philosophy upon which transport questions should be approached, and it is in that respect that I am relying upon him. I am not suggesting that he could work out in detail a practical scheme, but he can point out what are the guiding principles which should be applied to such a scheme.

(President): I see Professor Carter is a recent immigrant into Belfast. I think it would hardly be proper for him to talk about transport of which he has only had a short acquaintance, namely those facilities in Northern Ireland. It would be interesting to know what his views are when he has had time to form them on that point.

(Mr. Rougier): Perhaps at the next meeting of the British Association we may be favoured with that. But if I may refer you to the principle he is stating—the first new paragraph on page 5—"the more important idea of uniformity is that, within a given public transport organisation, the published tables of rates should apply to all parts of that organisation's system." This is a disastrous idea, for it means that the more an organisation becomes, and the more it tries to sweep away 'special rates', the less it can adapt its charges to its costs". He then goes on to give an example, which unfortunately for me happened to be a freight one (on which my learned friend, Mr. Willis, has made great play) but it does not affect the principle at all. He might just

as well have taken an example relating to passenger services. The Commission has not quite fallen into the error that Professor Carter points out, of having one unit only and, therefore, one all-embracing rate of charges for the whole of its undertaking, but it has come as near to it as it possibly could; it has had only two—the London area and outside the London area. And although I have been engaged in this and the two previous Inquiries, I have never been satisfied by any of the evidence or the arguments that have been advanced on behalf of the Commission why it was necessary to divide into only two units, and the only suggestions I can make are one, that it is less trouble for the Commission to have only two units because then they only have to consider two categories—

(President): It would not assist you, Mr. Rougier, would it, if they had four, unless they excluded your area from the present London area?

(Mr. Rougier): It would be an improvement to have four.

(President): I should have thought that if there were forty, you would still be in a position to object if they did not alter your particular unit.

(Mr. Rougier): The question would be, what could be a unit, what *should* be a unit. If I may just, before going on to that, come back to this point why the Commission have divided the country into these two. The one argument that could be put forward, and that they have put forward, is that the charges should be assimilated within this area. I quite understand that to the planner's mind or the auditor's mind, it is a very desirable thing to obtain as much uniformity as possible, and if one were dealing only with figures there would be no objection to it, but when you are dealing, as they are now, with human beings, I would suggest it is a principle which would lead to injustice and to trouble.

My friend Mr. Willis, when cross-examining Mr. Hill—it was on the sixteenth day, page 334, was attacking Mr. Hill, because Mr. Willis, I gather, wished to divide London Transport from the London Lines and Mr. Hill—I say at once that I do not agree with him—was saying that the two ought to be considered together. I gather he was saying it would not matter if London Transport Executive had separately shown a deficit if London Lines showed a profit, for the two could be equated. You remember the Commission were seeking to reverse their process of assimilation and to divide the two separately. Mr. Willis kept adjuring Mr. Hill to display mental elasticity (I should have thought that to a man such as Mr. Hill it was totally unnecessary adjuration). At least I am pleased to see that the Commission do show some signs of mental elasticity themselves and envisage that it is possible to distinguish between various classes of their undertakings, within one of the areas that they have so arbitrarily selected, and I hope that that mental elasticity will continue, or that it will not act only one way, for their own advantage, but will continue when considering other problems, and will not vanish, as I fear it may, when the temporary arrangement with my friend, Mr. Willis, who will shortly be departing and taking the mental elasticity with him, comes to an end.

(President): You must also invite the Tribunal to relax their mental elasticity on this point.

(Mr. Rougier): You will remember at this further enquiry that you yourself said this principle of assimilation was not finally decided. I do not know whether you remember the occasion when that arose—I think it was the cross-examination of Sir Reginald Wilson by Mr. Lawrence. I think you said that the principle of assimilation which Mr. Lawrence was assuming might be assumed by the Commission, but that there were other people in this hall (I take you meant the Tribunal)—

(President): I did not mean the Tribunal, but it is quite right to say that neither that principle nor any other one has been finally decided in the sense that it cannot be re-opened. You are entitled to raise every point—whether new or old—but I was saying it will require on the part of two members of this Tribunal as much mental elasticity as you are expecting from the Commission to revise their views on this question of units.

(Mr. Rougier): I have no doubt I can find that mental elasticity.

17 April, 1953]

[Continued]

(President): You must recognise that to most of us it is something which has not been—

(Mr. Rougier): With respect, Sir, I would say that upon the evidence before you on the previous occasion, you must have come to the conclusion that there was no case for this assimilation. But if you agree that, on the evidence and the arguments I may adduce to you, that there is a case for it, I am quite sure the mental elasticity of the Tribunal is adequate to deal with that problem.

The principles upon which I would suggest this question of the unit should be considered are these. I would suggest that the services to be comprised in that unit should be separable and distinguishable and capable of proper costing. That is the first one. When I say separable, quite obviously the easiest way to separate would be geographically. So if you had a group of services which were geographically distinct from all the other services in the country, that would be satisfactory. I should have mentioned also the question whether they could be properly costed, but I imagine when you have distinct services of that nature it would not be too difficult for the Commission to get out proper costing of those services.

The second condition would be that, the unit should not be too small to make this proper costing impracticable, and the third principle is that the unit should not be too big, so as to include services of two widely differing costs, because then you get inequality and injustice. Of course, there may be in any one unit some degree of internal subsidisation—that cannot be avoided. But I do stress most urgently that that certainly should not be too much, and it should be one of the considerations to keep that down to a minimum.

May I just deal with a minor point here—the question of the terms of "standard" charge and "sub-standard" rates. I do feel that in the way the evidence has proceeded at both of these Inquiries and on previous Inquiries, whenever there has been a reference to sub-standard rates and the people enjoying them, there has always been something a little derogatory about it. I spoke with possibly misplaced humour to Mr. Valentine when I asked if these people enjoying sub-standard rates were a sub-human species. But I submit that the standard charge is the charge you achieve in your unit after you have costed and decided what you must charge. The sub-standard charge could be anything charged less than that, but I submit that the true stigma to attach to the sub-standard charge is when the person enjoying the sub-standard charge is paying less than the proper cost for the service he is enjoying. It would be quite obvious that in a given unit there may be certain services more profitable than others. If, on these services there was still in operation sub-standard charges, less than the standard charge over the whole of the unit, the finger of scorn might be pointed at those people enjoying it, but they might be more valuable to the Commission, bringing in more profit than the people paying the normal standard charge but using a service which was too costly and not paying its own way.

(Mr. Poole): Could you tell us a little more about what you mean by cost? Do you mean operational cost, or are you relating it also to the original capital cost?

(Mr. Rougier): I would relate it to the whole cost, plus everything. I am not qualified to go into railway costing, but I do appreciate that you must charge against the man not only the operational costs but you have also to make the proper charges for capital expenditure and so on.

(Mr. Poole): But—take the Southend Line—you want to compare the original costs of building the Southend Line with the rest of the railways in the country?

(Mr. Rougier): I do not think I need go as far as that. I think it would be possible to take the whole of the capital cost now and to allocate it globally—I think that was the expression. I remember Sir Reginald Wilson describing how, in estimating the cost of the London Lines, having achieved the operational figure which varied from 10 pence something to 11.6, and then to 12, he then proceeded to add on £4m. (one third) for terminal charges and then an equus sum for capital charges.

(Mr. Poole): No, that was not so. But what you are saying now is that this unit—we will take your unit, the Southend Line—should be like the London Transport Executive, a separate accounting entity, and separately charged with a contribution towards central charges, as we have been asked now to agree to a contribution by

London Transport Executive to central charges. It would appear in the accounts of the Transport Commission as a separate financial entity, and a charge should be made for that entity as to give enough and no more to meet these legitimate charges—operational cost plus a legitimate contribution towards central charges, which would include, of course, interest on capital of the Transport Commission.

(Mr. Rougier): That is what I am saying.

(President): May I get clear in my own mind what you meant when you assented to the statement that it should include interest on capital. On what capital should the Southend Unit contribution be based?

(Mr. Rougier): I think that is a question for the Tribunal, and not for me. I am not competent to decide that, but I am sure the Tribunal can do so. I am quite happy to accept that.

(President): I want to know what your contention involves when you say you want it to be a separate entity. As far as operating costs are concerned it should be separate; I want to know what you say should be the criterion in respect of non-operational costs?

(Mr. Rougier): I am afraid I cannot say—I have not the knowledge.

(President): I gather you do not say it is related to the original cost of constructing the line?

(Mr. Rougier): At this date I should have thought no—but I am content to leave that question in your hands.

(President): That may be very complimentary to us, but it leaves me a little bit doubtful as to what you mean by treating this particular area as a separate unit. It leaves me doubtful what would be your answer to this question—a unit for what purpose?

(Mr. Rougier): I thought I had tried to explain it, according to the three principles I have enunciated. It is a matter of principle.

(President): If you know on what principle it is decided, it is a matter of accountancy. But your definition included the word "cost" and these questions are being addressed to you with the idea of finding out the truth of that word "cost" as employed by you.

(Mr. Rougier): I do not know, I cannot say. We are not transport experts—but this Tribunal is. We are merely suggesting the test that should be applied, and the answer the Tribunal will reach upon its own. I do not think I can say more than that. If I said I should go back to the original cost I could not justify it. If I said it should be taken globally, it would only be an expression of opinion. I have no expert knowledge by which I could back that up. I am afraid I must leave that in the Tribunal's hands. But subject to the question of what overall proportion should be weighted on to the particular unit, I do submit that the London, Tilbury & Southend Line does fulfil the test that I have suggested. For one thing it is clearly distinguishable from all the other services. Mr. Valentine, although he later cavilled at the expression "enclave" did agree to it originally, and when he looked up the definition I heartily agreed with it. He said it was a piece of territory enclosed by foreign dominions. That applies politically, I know, but if you say a piece of territory wholly enclosed by alien and other undertakings it applies to the London, Tilbury & Southend Line. Again it is one that can be separately costed, as far as operational costs go. That was done by the Commission in the Interim Scheme of 1950.

The third point is that its services have not too widely differing operational costs, and therefore the internal subsidisation would be kept to a minimum. Therefore I submit that here is a possible unit, and I am only qualified to speak for these people I represent. I suggest that here is a possible unit in which a special rate—in the sense that Professor Cater uses it—could be applied.

There is just one other point that I want to put about units. It does not seem to me that in any way necessary that the varying units into which an organisation should be divided should correspond in size. The size should depend solely upon the uniformity of the conditions which reign in that particular area. It is hard to give an illustration, but quite clearly the London Transport Executive is such an area, and quite obviously it should be a unit on its own. Perhaps, geographically speaking, Northern Scotland might come into another sort of unit, but I am not entitled

17 April, 1953]

[Continued]

to speak on this, and I am only urging the claims of my clearly identifiable unit.

(*Mr. Poole*): I suspect that if the North of Scotland was made into a separate unit, based upon costability, the inhabitants would be rather disturbed.

(*President*): I think also that if that were so we should have the spectacle—which we have never had yet—of some Scots representative appearing as an objector.

(*Mr. Rougier*): We may have missed something in the way of picturesqueness.

I am afraid I have been dealing with the philosophy of transport matters. But there are two other grounds upon which I strongly urge that what I have suggested should be done, and they are—and I can treat them almost simultaneously—first hardship, and secondly justice. I do submit that they are two very valid grounds for this Tribunal to consider, because although I do not profess to be fully cognisant of the history of railways in this country, as I understand it this Tribunal and its predecessors was specifically instituted by Parliament to see that the semi-monopoly in those days, the almost complete monopoly to-day, that railways have in transport would not be used, or rather abused, against the public. And this Tribunal is here to see that the public are justly and not unduly harshly dealt with, and I think on the question of hardship that seems to have been the reason for the Government intervention last autumn. It seems that it was felt that there were some people who were being unduly harshly treated.

(*President*): I thought at one stage the untimeliness of the charges Scheme measured by its inconvenient proximity to some elections might have been the consideration.

(*Mr. Rougier*): There may have been other considerations, but I would suggest this hardship was the primary one.

(*President*): I thought the Very Important Person at one time said so.

(*Mr. Rougier*): Well, I am willing to withdraw it. I threw it out as an idea of my own.

(*President*): Are there any elections pending at the moment?

(*Mr. Harold Willis*): Yes, the London Boroughs.

(*President*): I suppose there are some throughout the year, and unless we choose the 29th February in a leap year we shall not avoid it. I presume there are no elections pending in Southend?

(*Mr. Rougier*): There may be, but I would submit they are not relevant, if they are.

(*Mr. Harold Willis*): It is only one-third in Southend, I think.

(*Mr. Rougier*): I am much obliged for that information, but I am afraid it has no bearing on my case.

If I may go back to the case, at this Inquiry and at the last the Commission have trotted out a pronouncement made at this Tribunal in 1939 (it must have been your predecessor, Sir). May I read what Mr. Willis said on the 3rd day, page 28, on the left-hand column? It is the second paragraph: "There are, however, certain Objections which can be dealt with compendiously, and I think, briefly, in opening. The first point which I think was originally raised by a very large number of Objectors—I forget the precise number, but it was a very large number—is the point of hardship. So far as hardship is concerned, may I just say this: You will recall that the Railway Rates Tribunal in 1939 made some pronouncement on this matter. I agree at once that their pronouncement is, of course, not in any way binding upon this Tribunal; but what they said in regard to the matter will be found on page 745 of the Minutes of Proceedings of that Inquiry." In our judgment hardship is not a matter to which we ought to have regard upon these applications unless we come to the conclusion that the hardship resulting from the making of an order would substantially nullify the objects which the making of the order is intended to secure. Indeed it seems to us that to take into account hardship to any other extent would not be practicable. The imposition of the increased fares which we are asked to authorise will no doubt inflict some hardship on a substantial number of individuals, but we are not of the opinion that universal hardship

will be inflicted or that hardship will be inflicted on the majority of persons using the services, in respect of which the applications are made. To discriminate between persons able and those not able to bear an increase in passenger fares is not possible, and if, as we think is the case, material additional revenue can be secured by the increases which we are asked to authorise, we do not think we are entitled to refuse to give our authority because the increases proposed will bear hardly on many people". Then I asked what that inquiry was, and Mr. Willis replied: "That was the Inquiry before the Railway Rates Tribunal in 1939 concerning London fares".

So far as the Commission is concerned, having once stated that supposed authority, they seem to consider that they, therefore, no longer need pay any attention to any question of hardship upon travellers but are conscience-free to charge further and to extract from railway travellers as much as possible, but I do submit that that pronouncement does not mean what the Commission has put it forward as meaning, for the Railway Rates Tribunal there was dealing with quite a different matter. It was dealing with the question whether, among people using certain services, there would be a proportion upon whom an increase would bear hardly. In other words, if you had twelve people in a third-class railway carriage there might be one or two persons who could not properly afford the increase in fares. It is, I submit, quite another matter when you have got a whole class, the whole of the passengers using a particular train, or a whole number of railway travellers who use a particular group of services. Then if the proposals of the Commission create undue hardship for them, that is the most proper ground for the Tribunal to take into consideration, and if it is found that it was so, to say that the Commission's proposals were not justified, either they must fall or be modified.

I do ask you to consider what has happened to Southend in the last eighteen months. In 1950 there was the interim Scheme and under that our season tickets were raised 15.71 per cent., and our early morning travel 13.33 per cent. Now you will remember that that interim Scheme was again related only to the London area and in the London area we in Southend probably travel further than almost anybody else—between 42 and 30 miles away from London—and whereas an increase of that percentage might not bear very hardly upon someone only travelling two or three miles (because the actual cash on that increase would be small) at Southend they suffered from a very heavy cash increase and it bore more hardly upon them. You will also remember that the season tickets under that scheme either remained the same or were reduced on the Railway Executive line (except in the case of Bishop's Stortford). The authority for that is the 1951 Transcript on Day 10, page 215, Question 984.

(*Mr. Poole*): That was the natural result of assimilation. The season tickets on the London Lines were on average higher than they were on the London Transport Executive. When assimilation was accepted it automatically happened that quite a number of the season ticket rates on the London Lines were actually reduced, in order to marry them up with the London Transport Executive. But the Southend Line was raised.

(*Mr. Rougier*): Yes. I have left the question of whether assimilation was right or wrong. I am looking at the hardship which has been placed upon one clearly defined class of travel.

(*Mr. Poole*): I say that is a natural *sequitur* from assimilation.

(*Mr. Rougier*): Yes, but the practical effect was this increase to Southend.

Then when you come to the 1951 Scheme, the figures of increase were, on season tickets, 19.75 per cent., and on early morning returns, 20.15 per cent.

(*President*): On top of the previous increase?

(*Mr. Rougier*): Yes, Sir. Therefore we get a total increase on season tickets of 38.75 per cent., and on early morning tickets of 36.67 per cent.

(*President*): That is true of all season tickets for comparable distances.

(*Mr. Rougier*): No, Sir. I think Southend was the only one that jumped up to anything like that degree.

(*Mr. Sewell*): They were exceptionally low to begin with.

17 April, 1953]

[Continued]

(President): You meant as between 1950 and 1951.

(Mr. Rougier): Yes, the increase there was the standard increase.

(President): Everyone, as between 1950 and 1951, was subject to the same degree of hardship.

(Mr. Rougier): Yes, but the other people had not had two increases in eighteen months.

(President): How do you get at these percentage figures? Have these been questioned?

(Mr. Rougier): No, Sir. May I just finish this? The Government intervention of last Autumn which, from whatever motive it was done, had the effect that certain people—quite a number of them, I understand—had a reduction made in the Commission's proposed increases, and as a result of that £1.2 m. was lost to the Commission, and a certain number of fortunate people had a saving to their pockets to the total tune of that £1.2m. But not one penny was saved in Southend. We got no relief at all.

(President): That must have made the Government unpopular in Southend.

(Mr. Rougier): I expect it may have had some effect in that district, if they connected cause and effect.

I would ask you to look at Southend 6 (a). You will remember that this was produced from figures on Southend 6, which showed the rates, distances and changes in a selected number of stations from places that act as dormitory towns to London. If you will look at 6 (a) you will see in the last column—I think that is the only one I need refer to—that the percentage increases of the first six lines (which are the Southend Group) went up as follows: the first 33.77, 35.35, 37.35, 38.57, 41.04, 33.45 and Shoeburyness 28.57 and then if you turn to the other groups of towns there are the mixture of non-intermediate and ordinary standards. You will remember that Mr. Valentine agreed that from the point of view of the London Season Ticket traveller the non-intermediate is the one used. But if you look at the ordinary, the increase is 9.51 Worthing Central and the smallest was Brightlingsea 6.47. But the majority were non-intermediate and the average rise was 5.29 up to about 7.6, shall we say.

So when you compare, strictly from the point of view of hardship, what has happened to the inhabitants of Southend who have season tickets and the inhabitants of these other dormitory towns round London, the effect on the Southend Group is six times as great, on an average.

Now the Commission are coming here asking for some more. If I may refer to what Mr. Willis said about hardship again, on page 28: "So far as hardship is concerned, in my submission, quite apart from that aspect one must preserve some sense of proportion. When one looks at the increases proposed here, can it really seriously be suggested that, except in the most exceptional circumstances, these increases will cause anything in the nature of real hardship?" Of course, there may be some people whose financial budget is such that no additional expenditure of any kind can be contemplated without producing hardship; but that is not a case which can possibly concern the Tribunal". Why he says that I do not know. He goes on: "By and large, can it really be suggested that these increases will cause hardship? When one thinks of the amount of money which is spent year by year on cigarettes, beer, television and football pools, can it really be said that the impact of these fares increases is going to produce real hardship?"

(President): I thought you had just conceded that it is impossible to avoid a differentiation in the amount of hardship caused by any rise in fare amongst the same class of travel? Some people are richer and some poorer.

(Mr. Rougier): I agree that is impossible, with a dozen people in a railway carriage. I am only saying when you have it falling on one class, or one class of passenger using one particular set of services, I draw that distinction. "When one thinks of the amount of money which is spent year by year on cigarettes, beer, television and football pools, can it really be said that the impact of these fares increases is going to produce real hardship?" Now, Sir, that may be justified as a general observation on the whole of the country, but it is not justified with regard to the people I represent, and the people in that

area—and I think they are not, as is well-known, a wealthy class. They are not for the most part people who have had the rigours of the increase in the cost of living mitigated by fairly regular wage increases. They are the class which, in the main, have suffered the most from post-war conditions and the drop in the value of money.

(President): Without precise evidence about the inhabitants of the Southend unit it is difficult for us to act on any other assumption save that in this matter they must be taken as average spenders.

(Mr. Rougier): I did not put the question in cross-examination at this Inquiry, but at the last Inquiry I put it to Mr. Valentine and Mr. Valentine did agree—I hope I am not doing him an injustice—roughly that that was the position in Southend.

(President): That they spent less than the average person in the United Kingdom?

(Mr. Rougier): No, but that they are people of the moderate, or perhaps lower range, means; that there was not a proportion of wealthy travellers there. I put to him the proportion of first-class travel to Southend compared with first-class travel to other places.

(President): That is not what I am thinking about. Leaving out television and football pools, on the average every living person in this country spends £32 a year on drink and tobacco. Are you saying that the inhabitants of this special territory are in some special position, and that it would be arithmetically wrong to attribute to them this £32 a year on these desirable activities?

(Mr. Rougier): Yes, I am. If you would refer to the 7th Day, page 118, Sir—the cross-examination of Sir Reginald Wilson by Mr. Wellum. I do not know whether Mr. Wellum is here to-day—I hope he will not mind if I refer to something he said. He was referring to the Benfleet & District Travellers' Association. It is in the light of that question I ask you to consider and to draw the inference that this is the way these proposed increases strike him and the people he represents. Would you look at question 1723: "Now you were saying a few minutes ago that anybody who is not able to pay the increased fares does not have to travel. Might I enquire how that can be applied to people from the Benfleet area of South East Essex, travelling on the London and Southend section, who were moved out of London during the war, due to the blitz, and who are not able to get further accommodation in London, and whose work is in London? Do you suggest they should give up travel or give up work?" "On no account". "Then what do you suggest they do? Do you suggest they give up eating?" It has already been suggested they should not smoke or drink or have a go on the pools. There are many in that area who already refrain from these things. I would suggest that they can only give up eating, unless you can provide some other answer?" "Well, you have made your suggestion, have you not?" That is not, of course, strictly speaking evidence, but I do suggest there is an attitude of mind on the part of the representative of that section of the population of this country—a section close to mine—as to what will be the effect of these increases.

(President): I would say that that made no impression on my mind whatever as evidence.

(Mr. Rougier): I am sorry. It struck me as having considerable value, but I will not pursue it.

That is all I want to say on the question of hardship. And I now come to the second question of injustice. There are three grounds on which I say that the Commission is unjust. The first is this: that as I understand it this present Scheme was put forward by the witnesses called for the Commission on the ground that the Londoner must stand on his own feet. And, of course, I heartily subscribe to the proposition that everybody should stand on his own feet. But I suggest that there is a corollary to that: that the Commission should so plan their Undertaking that it is then ensured that everybody should stand on their own feet, which would then mean that people who are already standing on their own feet should not have other people also standing on the same feet. I suggest that is what is happening in our area. Southend has always stood on its own feet, and now it has got other people standing on its feet also. I do not mean physical conditions in

17 April, 1953]

[Continued]

the rush-hour—I am speaking figuratively, and I am referring to the question of profit and loss. It has, I think, emerged in this Inquiry that the London Lines are probably—taken as a whole—profitable. You will remember that Sir Reginald Wilson gave as a figure of estimated yield £21.7m., and he then made a calculation of the estimated cost of £22m.

(President): Was that estimated yield or actual present yield?

(Mr. Willis): That was after the proposed Scheme had been introduced. The previous figure was £20.6m.

(Mr. Rougier): If I may just deal with that. You will remember the way he dealt with it. He took the original figure of 10.6 that had been given at a previous Enquiry. He then said that having made allowance for the changes that had taken place since then he brought it up to 11.6.

(Mr. Poole): There was another stage before that—he got it up to 11.2.

(Mr. Rougier): Yes, and then up to 11.6. It finally came, by adjustment, to 12, and it was upon that 12 that he then added 3½, making it 16, and he then added 4.

(Mr. Willis): 2 was the Central Charge.

(Mr. Rougier): Making a total of 22. He admitted quite frankly and quite naturally that, of course in making these estimates there was necessarily a considerable amount of assumption even in the basic figure of 12. Of course when you are adding 3½ per cent, that again is an estimate. I would suggest that there is not very much likelihood in this matter of the Commission having underestimated. But there is just one point that I would remind the Tribunal of and that was the effect of the recent costing of the Southern Electric. I must confess that I do not follow how that could have increased the basic costs because as I understood it what they did was to take the steam train services which were costed and the electric train services which were costed and originally that was done according to a formula established in 1939 and brought up to date by the necessary amendments. They then said that having had this recent inquiry among the Southern Electrics which you will remember amounted to two-thirds of the London electric lines. (If you want the reference it is in chief upon the fourth day pages 39 to 43 and then there was some cross-examination on the fourth day page 52 by me and by Mr. Geoffrey Lawrence on the sixth day at page 90.) I do not want to refer to them in detail at the moment but you will remember that in answer to Mr. Reginald said that the Southern Electric figure was lower than the other electric figures. If that is so I should have thought and Mr. Geoffrey Lawrence in cross-examination also appeared to have thought that if the original figure for the electrics had been taken and you found afterwards that a group of two-thirds of it being recently costed, came out at a lesser figure, then the total must surely not have increased but, if anything, decreased.

(President): Southern Electric may be lower than the other figures but the new Southern Electric figures may be higher than the old. I thought that explanation was given by Mr. Willis.

(Mr. Rougier): The old figure was the old unmended figure, a pool figure, according to the formula; but they were adjusted and brought up. Sir Reginald said that according to the new brought-up figure that was higher than the Southern Electric.

(Mr. Harold Willis): No.

(President): No.

(Mr. Rougier): I had the definite impression that that was so, but if that is not so I was mistaken: I will leave it in the hands of the Tribunal. Furthermore, in costing the London Lines, Sir Reginald added the first £4m. for terminal charges. Now you will remember that I cross-examined him a little, and Mr. Geoffrey Lawrence cross-examined him at some length, as to that.

Taking Mr. Geoffrey Lawrence's cross-examination, and having read out the various items that were compounded in that, it would appear to me as a non-expert that the probability was that the true apportionment of those terminal charges would be, if you did not take it just globally over the whole thing, that London Lines should have a lesser proportion than other services, because so much of these terminal charges really were of no value to London Lines peak. You will remember the particular

instances that were mentioned. Therefore, on that basis I should have thought that it was probable, to put it no higher, that London Lines were showing a profit to the Commission.

But, Sir, whatever may be the general position of the London Lines, it is admitted by the Commission that that section of it with which I am concerned, the Southend part, is profitable, and for that I would refer you to Sir Reginald Wilson's answer to me on day four, page 52, question 418, an answer which gave you, Sir, considerable satisfaction in that it shortened proceedings by a certain degree. Although he was admitting that the services on the Southend Line could be out of date where the cost could be unduly high, yet question 418, "No, and therefore, if you had a service that was completely out of date, but was it paying its way, you would be grateful to it. (A) We are very grateful to Southend!" Again Mr. Valentine—

(Mr. Harold Willis): Are you using that answer to prove the conditions which the sentence was preceded by?

(Mr. Rougier): Sir Reginald did not dissent from it. Mr. Valentine on day ten, at page 180, at the beginning of my cross-examination of him—

(President): 181?

(Mr. Rougier): Yes, question 2766. "And therefore we can go on, the London-Tilbury-Southend Line has been making, I think the phrase the Commission likes it, it has been making a good contribution towards receipts? (A) That does not follow from what you have just said, but I believe Sir Reginald has already accepted that." Mr. Valentine did not dissent from it, and I think I continued a little on those lines; again he did not dissent from it. At a previous Enquiry we worked it out, and I think from AV/57 and subsequent changes it is clear that the Southend Line has been making a definite profit to the Commission in spite of the loss that the Commission has overall been making.

Therefore it is clear that Southend is subsidising other people, but in fact, to refer to the metaphor once again, some other person or persons are standing upon Southend's feet although Southend is standing upon its own feet. Again, in considering the question of charges, I am now leaving the question of profit.

(Mr. Harold Willis): Those questions, if I might just correct it, of course related to the Line as a whole. As I understand it, we are now dealing with that bit of the Southend Line that lies to the east of Upminster?

(Mr. Rougier): Yes, and I think when we dealt with the different proportions given in AV/57, it was shown, if anything, that the more profitable part of the Line was the eastern end.

(Mr. Harold Willis): I do not think that is right.

(Mr. Rougier): Now I come to the second question to which attention should be given in considering whether a charge is just, and that is the question of the quality of the service that is being given.

(President): Before you go to that, is your unit for which you are contending a unit which has its western frontier at Upminster?

(Mr. Rougier): I think it will have to be so, though I do not know if it is possible in the running of the Commission to take it into Fenchurch or not. It may be, I do not know, that is a practical matter I cannot speak of. But I know Mr. Valentine queried which area I was referring to when I was cross-examining. Of course, there would be complication brought in by the tube trains that run out as far as Upminster. I do not know if it is possible or not for the Commission to deal with Upminster eastwards only, or from Fenchurch right out.

(President): If, as I gather here, you are asking us to modify the Scheme to set up another unit, at least one unit, we shall have to know with some precision what this separable (in a geographical sense) unit is, shall we not?

(Mr. Rougier): I should have thought, with respect, that it would have laid too hard a burden upon me, and those instructing me, if we were asked to come forward with a complete watertight transport scheme for this particular area; we have not the knowledge.

17 April, 1953]

[Continued]

(President): Even for the purpose of appreciating the argument of the injustice and hardship of the unit we must know what the area is.

(Mr. Rougier): I have indicated the area as accurately as I am capable of doing. I cannot do it any more, for lack of expert knowledge.

(President): Perhaps I have not appreciated how accurate you are being; would you indicate it again?

(Mr. Rougier): I can only put it in two ways, either it is the area east of Upminster, or that area plus the services that go into Fenchurch Street. If that is a practical matter, I do not know.

(President): Something like the zones leading into Berlin.

(Mr. Rougier): They seem to cause a certain amount of trouble, too.

(President): "The Corridor", we used to call it.

(Mr. Rougier): I should have thought that there was a corridor to Fenchurch Street, but then that may be only my ignorance.

Now the question of services, and I only want to say about three words on this. I think it is well known—it has not been very strongly disputed—that the services to Southend are not of the highest standing. They would not bear comparison with say the services running down to Brighton or some other such place. You will remember I introduced a cutting from a national paper in which there was a letter referring to it as "The dirty line". All I say is that the passengers on this line do not get the comfort, the cleanliness, the convenience or the regularity that other services enjoy, but they pay the same rates, or rather—that leads me to another point—they do not necessarily pay the same rate. They pay the same rate, the maximum rate applicable to them, which would presumably be the rate that could be applied to others in comparable situations round the country. But in fact when one looks into it, one finds that Southend is treated with a special harshness, almost as if there was some vindictiveness against the particular area, because although the Commission does in many instances give concessions or consider various classes of people in different places, never has Southend got such a concession.

For this I would ask you to look at the exhibits of Southend, looking first of all at Exhibit Southend 3. Southend 3 refers to the day returns. Now it is one of the grievances of Southend, and has been ever since the 1950 Inquiry, that there is no day return which is cheaper than two singles (which is the ordinary return) from Southend to London. And when one looks at Exhibit Southend 3 one sees that all round London at comparable distances there are day returns. The majority of those places—and they are selected to be as impartial a selection as could be made out of the great number of stations within this perimeter—by far the greater number of them, enjoy substantial concessions. You did put it to me, Sir, that if there were limitations on the user of day returns from these various stations it was not a fair comparison. I agreed that was so.

Later on, when Mr. Roberts came to give evidence I saw that the restrictions were probably not as great as I had imagined to start with. I would ask you to look at Mr. Roberts's evidence at Day 14, page 290, question 4817, when he is being cross-examined by Mr. MacLaren. "May I turn now to the cheap-day facilities; I would like you to deal with them, if you will, in two parts. I would like you to deal with the ordinary cheap-day return which, as I understand it, is generally available to about 30 miles round the urban centres on any day by any train? (A.) Yes, but even with those there are some limitations. There are some cases where there are limitations on the day-return fare. There is no absolute rule in these things at all. (Q. 4818) I appreciate that they vary widely. (A.) But generally they are by any train on any day. (Q. 4819) That is the rule; it is nearer being a rule in this case than not? (A.) Yes. (Q. 4820) What would you say is the range of the rate per mile for those tickets? That fare is from centre to centre. (A.) The cheap-day return fare is substantially 1.31d. per mile."

If those cheap-day returns are available on any train on any day, then they are completely comparable to our returns. I do not know if any, or how many, of this

list of towns is able to enjoy the cheap-day return on any train any day, but if they can they are completely comparable; we have to pay the day return. There you have complete inequality of treatment. But even if it were the fact that there were some restrictions on the use of them, and Mr. Roberts I think mentions it in some place—I think on the fifteenth day at page 297—if there was a restriction on time it would be after 9.30 o'clock. That is a very minor restriction, I would suggest, for a day return fare. Naturally anyone going up to Town for the day who is not a normal season ticket traveller, will avoid the rush hours, and if finance is any consideration he would certainly avoid them.

Here again we have Southend in the worst possible position in comparison with people living in roughly the same circumstances round about.

Then I come to the question of season tickets. If I may compare these with towns at comparable distances from London, and for that I refer to Southend Exhibit 1 and Southend Exhibit 4, one can see from Exhibit 4, the graph, just how it works. It gives the whole picture. That gives 48 stations of which one certainly, X25, should be omitted because there are special circumstances and it obviously would be unfair to apply that. Of the rest, they are all well below the black line, the standard charge, which is what all stations at Southend pay. So here we have Southend so to speak in the forefront, and practically everybody else behind.

When you look at another aspect of the season ticket travel one can compare Southend with the towns which I say are the true comparison with it, the seaside dormitory towns. For that I would ask you to look at Southend Exhibit 2 and Southend Exhibit 5, the graph. It is true that on the graph are plotted the non-intermediate fares for these towns, but you will remember that Mr. Valentine did agree with me that the non-intermediate was the vastly preponderant ticket, and the one that was used by the regular London traveller from these towns. You will remember, Sir, that we have no non-intermediate ticket. This is a real comparison of the charges paid by season ticket travellers from these seaside towns.

The bottom group, you will remember, which is comparable in distance to us is the group of river towns, not seaside, but river towns—Henley-on-Thames, Wargrave and Twyford. They are somewhat considerably underneath the standard charge, but as you get up further you begin to get a vastly greater concession granted to the people who live there, until the saving is really very, very appreciable. So on that chart there are included, I think I am right in saying all, the seaside towns that would fall into this category. I could not find any more and I do not think anyone else has succeeded in finding more either.

Upon those grounds, Sir, I say again that we are being inequitably treated by the Commission because we have never received any concessionary fare, although practically everybody else comparable to ourselves are receiving considerable concessions.

(Mr. Poole): Mr. Rougier, you said just now that Southend are paying the standard rate. Is that true?

(Mr. Rougier): Yes.

(Mr. Poole): Are there not considerable sub-standard rates in Southend?

(Mr. Rougier): None at all.

(Mr. Poole): Because in the first Inquiry you did rather well on your taper, did you not?

(Mr. Rougier): We did not get a special taper. I think it was on the early mornings that we succeeded at the first Inquiry.

(Mr. Poole): But they have all been brought up to the standard?

(Mr. Rougier): Yes; the black line that you see on both the graphs is the standard charge, and the Southend stations come upon that line. We have not marked them, but they do come on that line.

(Mr. Poole): There are no concessions at Southend?

(Mr. Rougier): No, none at all at any Southend station. Now I come to another aspect of it, and for once I am arguing on behalf of the Commission. I implore the Tribunal to save the Commission from the consequence

17 April, 1953]

[Continued]

of its own folly, and for this I would ask you to look at Exhibit Southend 7. You will remember that I put this table to Mr. Valentine and we did go through it in considerable detail, so perhaps I need not go through it in too much detail now.

What I submit to the Tribunal is that this table shows that the object of the Commission by raising fares to obtain greater revenue is defeating itself in the case of Southend, because they are not going to get greater revenue from it. If you take the position as it is now, the early mornings have remained fairly constant over the years. I suggest that the reason for that is that though there has been a total loss to the railways from them, in one direction that has been compensated for them by an inflow from the more expensive seasons. Then you come to the weekly season, which is a relatively unimportant matter; that remains fairly constant. I suggest that the inference to be drawn from that is that although you may have a loss from weekly season ticket travellers in one direction, you get a gain from people who simply cannot afford to put down the extra large sum of money for a longer period.

The two really significant lines are the monthly season and the quarterly season. These show a drop going from January, 1952—you can take January to January to January or July to July to July, or right through the years. The general tendency is that the monthly season has dropped by 50 per cent, and the quarterly by 33½ per cent; the total drop has been 25 per cent.

You will remember I put to Mr. Valentine the estimate he had made of the loss on the Southend line; I think it was something like 1 per cent, that they expected from this Scheme. But I do submit this point, Sir, that if you have a diminution in the travel of those figures, and if you work it out roughly by the increases that I have told you, the increase of revenue to the Commission resulting from the two increases in charges is very small—only perhaps about 5 per cent. My arithmetic may be wrong, but that was the estimate I made.

I do suggest that that is not necessarily the end of the story, because although charges can be put up in a relatively short time, one has to come before you, Sir, but when they are made they go up in a jump as far as the traveller is concerned. For a traveller or a group of travellers to run away from those charges takes time, however. If he is a season ticket traveller he probably has a home; he has to find alternative accommodation; he has to make alternative arrangements. Somehow or other the 50 per cent of monthly and the 33½ per cent of quarterly season ticket holders have been lost to the railway and have probably made other arrangements. Who can say that has stopped now? It takes time and it will go on, gradually diminishing of course, but who can say it has stopped? It only needs a slight further drop, a drop that will be accelerated by any increase proposed by this Scheme. The revenue to the Commission would then touch the line when it would be the same revenue as it was getting in 1950; and then it would drop below it. In other words, as far as the hitherto profitable Southend enclave is concerned the Commission is killing the goose that laid the so-called golden eggs.

(President): Have you any figures comparing the voids in 1950 with the voids in 1953?

(Mr. Rougier): The voids?

(President): I might be out of date, but it is a word that used to mean empty hereditaments, hereditaments yielding nothing in rates.

(Mr. Rougier): No, Sir, I am afraid I have not.

(President): If there were this gradual depopulation of Southend Borough, it ought to show in those figures, ought it not?

(Mr. Rougier): Yes, I think possibly that might be so. But you will remember that it is not necessary that a house should become vacant when a railway traveller has ceased to travel. It might be that the house has changed hands and the new owner is not a railway traveller. But I suggest this table is the true measure because it is showing from the Commission's own figures what the loss to the Commission is in this area.

(President): It may be showing a change of habits of the people living in Southend, that they no longer have to take season tickets to Fenchurch Street.

(Mr. Rougier): There is no increase in the ordinary tickets and one would not expect that. As you see, the early mornings have increased. The roads are far too congested to go by car; it is one of our complaints that because of the congestion on the road and poor road services, they cannot dodge the high rail fares by going on possibly cheaper bus routes.

(President): The whole case made on the basis of these figures is, is it not, that it will lead people who once, before the happy days of 1950, lived in Southend will no longer be able to live there?

(Mr. Rougier): I am not quite sure it necessarily goes as far as that; all it shows is that the people who in the happy days of 1950 travelled from Southend to London daily no longer do so.

(President): You do not draw any inference from that?

(Mr. Rougier): I am only using this exhibit 7 to explain—

(President): To help the Commission?

(Mr. Rougier): Yes—to explain that the present course is disastrous; it is not producing what they hoped it would, and it will probably shortly cause them a loss. That is the end of my arguments against the Scheme.

I now come finally to the question of suggestions, and these I abominated in our Objection. My suggestions are these: That there should be a standard season ticket scale of the special rate for the Southend group, and if you ask me, Sir, what it should be in actual figures I would suggest it is that taper, that scale, which is shown on these two charts and which was the proposal we made at the 1951 Inquiry?

(President): You mean between London and Southend and any intermediate station, do you?

(Mr. Rougier): Yes. I suggest secondly, either as an alternative or in addition, that we should be granted the benefit of a non-intermediate season ticket. I seem to remember at the last Inquiry Sir Malcolm Trustram Eve interposed at one point and said: "But that is a concessional fare," and that took me back for a moment. But you, Sir, came to my rescue and pointed out that it was well within the power of the Tribunal to direct that there should be such a fare; and that is what I ask the Tribunal to do, to order that there should be a non-intermediate season ticket applicable to Southend to correspond with the favour shown to the other sea-side towns. I do not presume to quantify it; I leave that to the Tribunal.

(President): Still it must be less than the other?

(Mr. Rougier): Yes, if I may put it this way between two extremes, Sir. If you decided against me on the standard season ticket, then possibly a suitable one would be the 1951 proposal of ours for the non-intermediate. If, on the other hand, you produced a different standard season ticket rate then I should suggest that the average percentage by which the non-intermediate seasons are lower than the standard seasons in that list of sea-side towns, should be applied to us.

Then my third suggestion, Sir, is that there should be a day return ticket available from Southend to London and back. That is put forward in the appendix "Y" to the Railway Travellers' Association proposal. They suggest a scale there.

(President): That is in the original volume of documents?

(Mr. Rougier): Yes, Sir, there is no alteration to that.

(Mr. Harold Willis): It is part of their Objection?

(Mr. Rougier): Yes, it is the appendix to the Objection.

(Mr. Harold Willis): Objection 69.

(President): It is printed on page 29.

(Mr. Rougier): There we have boldly, and I fear possibly ignorantly, suggested a definite scale. It is possible that we have miscalculated, but I do put forward that scale. Or as an alternative I would suggest a scale being constructed on the basis that Mr. Roberts gave in the answer I read out to you of 1.13d. per mile, the average throughout the country.

(Mr. Poole): Is that a suggestion in a general sense, or asking us to make it mandatory?

(Mr. Rougier): Yes.

17 April, 1953]

[Continued]

There is a last and final point on the Railway Travellers' Association Objection about the question of the return and season tickets. You suggested it is rather a small matter to be dealt with in an Inquiry such as this, and might better have been addressed to you on other occasions when you sit, but I am instructed to ask for it, that is that there should be an alteration in the terms of appendix "Z".

(President): It really is quite impossible—I have thought more about this—except at the expense of setting out in the Statutory Scheme the whole of the conditions regulating tickets.

(Mr. Rougier): I could only see that there could be a new section in the miscellaneous.

(President): It would be enormous. We could not just pick out this particular condition and say this must be in any conditions. There is the remedy of coming at any moment and saying this condition or the present conditions are unreasonable because they either contain or do not contain the other.

(Mr. Rougier): In that case I hope you appreciate I have been instructed to ask for this but I will not press it. No doubt those who have instructed me will make a note of your remarks, and may act as you suggest in future.

(President): I am glad to see you here again Sir Shirley.

(Sir Shirley Worthington-Evans): It is very nice of you to say so. I hope you will not take my lengthy absences as any discourtesy to the Tribunal. I did not think sitting here and listening would do good to any Objectors or to my own clients. I know you think one of the things that commends Counsel's brevity; I will accordingly compress what observations I have to make into the fewest possible words.

The Corporation of the City of London object to this Scheme as representing their day-time population. At night the City is drained almost empty of human beings and there are only just over 5,000 people resident in that area, but somewhere between 4m. and 4m. flow in every day. The only thing which is common to all of them is that they have to go there in order to earn their living. That being so my clients do not represent any section of political or geographical interest, and it necessarily follows that their Objections must be general because they have no particular row to hoe.

Last year, or rather in 1951, I claimed on their behalf that the moment was inappropriate for putting up fares, and I suggest that if this had been a private business, a competitive business, and if it had found itself in a period of slump, the very last thing it would have done would have been to have increased its fares; that it would have waited until such time as its particular business improved before it sought to refill its coffers.

I repeat that submission and I say that this moment is no more appropriate to raise fares in London, even if there were any justification for it. I have called no evidence, Sir, but I have with care read the evidence which was called by my learned friend Mr. Geoffrey Lawrence and I have also read his able and engaging submissions to this Tribunal. I desire to adopt them, in so far as they show that there is no justification at this time for the extra burden which is being put upon London.

It cannot be disputed that the result of the last increase in fares in London in 1951 was that a large number of people were forced to walk some not inconsiderable part of their journey in order to reduce the fare which they had to pay each day. In my submission it is noticeable both in the morning and in the evening in the rush hours that there is an increased number of people who can be seen walking along such places as Piccadilly and the Strand, where formerly they would have ridden one stage further. Now, because the fares have gone up, they have contented themselves, because they have had to, not by paying the same fare, but by being put down one stage sooner and walking down the street. It may be that if these charges are necessary for the Commission to carry out its statutory duty, the people would have to do that—

(President): It had not previously occurred to me, so far as Piccadilly and Regent Street are concerned, that people had been driven to walking by the Transport Commission, but I do not know about the Strand.

(Sir Shirley Worthington-Evans): I do not know whether you have noticed the bus-stop outside St. George's Hospital at about 9 o'clock in the morning, Sir, and the number of people who get off there and on the north side who proceed to walk towards Piccadilly Circus. I suggest, there being a bus-stop just by Down Street and on the opposite side at the Ritz, that formerly they would have remained on the vehicle, whereas now it is noticeable that large numbers of people get off at that particular stop at St. George's Hospital. I only mention that bus-stop because personally I am very familiar with it. As I say, they get off at that bus-stop and proceed to walk down Piccadilly from there. They did not do that before in such large numbers. Whether they have suddenly become so conscious of their health that they think it is good for them to walk, I do not know, but it is a matter to which I feel I must draw your attention.

As I was about to say, if it is necessary for the fulfilment of the Commission's obligation under the Transport Act, of course it must be so, because it is not part of my clients' wish to suggest that the Commission should not carry out its duties under that Act. Taking one year with another, it must pay its way—of course that is so; but in my respectful submission the way to do it is not to increase the fares in London at this particular time, as the Scheme proposes.

This Scheme was of necessity created, and most of the evidence was given, before the Budget. It may be that the Commission now will say that since the Budget its customers will have more money in their pockets, and that it will be less hardship to them to pay the increased fares. Most strongly, Sir, I suggest that the real way to look at it is that the costs of the Commission must be considerably below what they would have been if the Budget had not been so favourable. I cannot give an estimate, but I do submit that their costs must be below what they would have been if the reliefs which we have been granted in the Budget had not been given, and it may well be that in the circumstances the proposed Scheme, so far as it affects London, is even less justified than it was before the Budget was announced.

(President): In what way will the costs of the Commission be reduced?

(Sir Shirley Worthington-Evans): As far as I know, the Commission pays purchase tax like everybody else; it may be fortunate enough to be exempt, but—

(Mr. Harold Willis): This question came up incidentally when Mr. Hill was giving his evidence. I think, with respect, my learned friend was not here, but it was generally agreed that the reduced purchase tax would have only an insignificant effect on the financial position of the Commission.

(Sir Shirley Worthington-Evans): I am much obliged. I have been trying to spend many a pleasant and instructive evening reading the transcript of these proceedings, but I cannot assert that I have read that question or answer.

(President): We congratulate you that you can with a good conscience relieve yourself of that obligation, Sir Shirley!

(Sir Shirley Worthington-Evans): If you please, Sir. There is one particular matter that I should like to mention; that is on the questions which I was instructed to ask Mr. Valentine about the return tickets. You will remember that I gave him a statement of certain fares and fare stages, and I asked him on the 11th Day how it came about that at any rate the members of the public thought that they could not get a return ticket to certain stations to which they wanted to go.

(Mr. Harold Willis): I think you mean season tickets, do you not?

17 April, 1953]

[Continued]

(*Sir Shirley Worthington-Evans*): Yes; I beg your pardon. The explanation appears to be the result of the fractions rule in the Scheme. Paragraph 37 (1) says: "For all the purposes of this Scheme fractions of a mile should be reckoned as a mile."

Of course, that is a very sensible rule when one is dealing with long-distance Main Line traffic; it is quite harmless apparently until one appreciates that in the City of London there are stations so close together—I think we were told that there were four stations on the Inner Circle line, namely, The Monument, Cannon Street, Mansion House and Blackfriars, which are all within one mile of each other; but on the 11th Day at page 202, Mr. Valentine in the answer to Question 3196 agreed that the results of that fractions rule and the closeness together of the stations was that the Commission made a very large sum.

Now if the Commission makes a very large sum out of this—

(*Mr. Harold Willis*): I think you had better read the whole question just to make it quite clear.

(*Sir Shirley Worthington-Evans*): The actual question is: "From your point of view it can make a very large sum"—what I was dealing with there was three questions back, at Question 3194: "Which for each individual may be a matter of, say, 5s. a month, 3s. a month? (A.) Some part of 3s. a month. (Q.) Some part of 3s. a month; spread over a year that makes for the individual a considerable sum, does it not? (A.) Yes, it might do. (Q.) From your point of view it can make a very large sum? (A.) Yes, but if you were going to introduce denominations for season ticket rates between those recognised in the scale today to cover half or even quarter miles, the scale itself would require reconsideration in order to produce the same revenue".

What I understand that answer comes to is, that with this fractions rule and the location of the stations being what it is, the Commission is receiving a very large sum of money from travellers who will get out at one of the first three stations, but who in fact are entitled to, and in fact pay to, go on to the fourth station. If the Commission receives a large sum of money from that, it means conversely that the travellers pay a large sum of money for something that they do not want, by reason of this rule being forced upon them.

I appreciate that my objections are general and that they are not apt to cover this particular matter. It was a matter which was not present to the minds of those instructing me at the time the Objections were framed and lodged. When I was asking these questions, Sir, you did give me the opportunity, or you asked me whether I desired, to amend my Objections to cover that, and I asked for time to consider the matter. I have considered the matter now and it seemed to me that at that stage of the Inquiry it would involve very considerable time and labour in going into the figures as to what the financial result would be. I did not know whether the Commission was in a position to give us any figures, and therefore all I feel entitled to do about that is to ask the Commission to bear in mind that that fractions rule, which is clearly sensible and unobjectionable for traffic perhaps on the perimeter of London, and certainly in the country, does work hardship and injustice and does lead the public to a sense—through their own misunderstanding, I agree—of injustice when it is applied to the very dense conditions of the City of London. Therefore, whilst I appreciate that I cannot ask you to vary that rule now, I do ask the Commission to bear that in mind and, if possible, to have some figures available for the next Inquiry, so that the matter may be fully ventilated.

(*President*): There is always bound to be some fractions rule.

(*Sir Shirley Worthington-Evans*): Yes, Sir, I appreciate that. This particular fractions rule is suitable possibly for suburban traffic, and certainly for country traffic, but when you find stations crowded together, as they are in the City of London, stations almost touching one another, four within a mile and six within a mile and a quarter, I submit that it is not a sensible rule. How to get rid of it is for the Commission to work out, and it is for

them to give us their estimate of what the figures should be.

Those are the only matters on which I desire to address you, Sir. I do urge that this is not the time for London to be called upon to pay higher fares. I submit that for the reasons which were given by Mr. Hill and for the reasons which are set out in the submissions of Mr. Lawrence, I say that it is not necessary, and from the business point of view I submit, having regard to the general state of trade and the general financial state of London, it would not be wise to permit these increases.

(*President*): Thank you, Sir Shirley.

Mr. Vian-Smith, I understand that you want to call a witness?

(*Mr. Vian-Smith*): Yes, if you please, Sir.

(*President*): Have you arranged with your competitors that this would be a suitable time for you to do so?

(*Mr. Vian-Smith*): I believe so, Sir. I wonder if, first of all, I could give a brief explanation to you in the space of some four or five minutes of exactly the form our case would take, apart from the evidence of our witness?

(*President*): Yes, certainly.

(*Mr. Vian-Smith*): May it please you, Sir; the case I have to present on behalf of my Association falls broadly into two parts. The first part is contained in the addendum to our Notice of Objection and is a general statement which I would like to make to the Tribunal after you have heard our witness, and in the light of certain questions which I shall be asking him, and also in the light of certain questions which I have already put to the witness for the Commission.

The second part of my case takes the form of three requests to the Tribunal. The first is that we have asked that there shall be inserted certain provisions in any new Scheme that the Tribunal may approve—that there shall be inserted in it provisions with regard to traders' season tickets under certain primary conditions in which the charges ought not to be lower than 25 per cent. below the ordinary season ticket rate; that such tickets would only be issued as regards distances exceeding 100 miles, and thirdly, that it would be quite clearly established that it would be unlawful to use such tickets for residential purposes. With regard to the third condition, we suggest that it would almost automatically be taken care of by the second condition.

The second request we have to make of the Tribunal is that something shall be inserted in the Scheme—

(*President*): I thought you were going to tell us what the witnesses were going to say, Mr. Vian-Smith; we cannot have two speeches.

(*Mr. Vian-Smith*): No, Sir; it was after having dealt with the three Objections—

(*President*): The witness is going to deal with these questions?

(*Mr. Vian-Smith*): He is going to deal with two of them. I will be as brief as I can, Sir. The second provision we are going to ask the Tribunal to put into the Scheme is an obligation on the part of the Commission that where they do operate a Scheme similar to the bulk travel facility Scheme, they shall give a resonable discount on that facility.

It is on those two points that I shall be asking our witness a number of questions; with regard to the third point, if it please you, we now wish to withdraw—or rather, we ask that we should be given leave not to proceed further with it. We ask that in view of what Mr. Roberts was helpful enough to say, when I asked him a number of questions; he indicated that the Commission did not consider that this should be a hard and fast rule, and perhaps it was still subject to certain modifications. Even since that time our Association has received a communication from the Commission—

(*President*): At any rate, you are not pressing it?

(*Mr. Vian-Smith*): No.

I should like to call Mr. Charles Edward Jordan.

17 April, 1953]

[Continued]

Mr. CHARLES EDWARD JORDAN sworn.

Examined by Mr. VIAN-SMITH.

6740. Is your name Charles Edward Jordan?—Yes.

6741. Have you appeared before this Tribunal on a previous occasion?—No.

6742. Are you a member of the Institute of Transport?—I am.

6743. Do you hold office as Chairman of the Transport Committee of the Association of British Chambers of Commerce?—Yes.

6744. Are you an adviser in transport affairs in the Tube Investment Group?—Yes.

6745. Are you a member of the Traders' Co-ordinating Committee on Transport?—Yes.

6746. And are you a member of a number of other important bodies representing users' interests?—Yes.

6747. Would you say that both your work and your very active membership of these national bodies brings you into touch with users of transport both at a national level and at a local level throughout the country?—Yes, I certainly would.

6748. Are you in frequent touch with the British Transport Commission and its Executives on matters of national transport policy?—Yes.

6749. Are you a member of the Central Consultative Committee?—Yes.

6750. I wonder if you would tell us what interest you represent on that?—Trade, industry and commerce.

6751. I think you were appointed to that by the Minister of Transport?—Yes.

6752. I think you may be able to give us some idea about this: Have you, for example, during the past five years had an opportunity of studying at fairly close quarters the British Transport Commission policy in relation to charging?—Yes, I have.

6753. Have you formed any opinions about that policy?—Well, I have been rather struck by its inconsistency.

6754. Could you just elaborate on that? In what respect do you consider its policy has been inconsistent?—At one period we had a plea for equality of treatment. I was a member of the Standing Sub-Committee of the Traders' Co-ordinating Committee which negotiated with the Commission's Freight Charges Committee, and the whole basis adopted by the British Transport Commission people was that they must have equality of treatment.

(President): Mr. Vian-Smith, I am not going to allow you to go into this. I do not know whether these matters were formerly confidential matters or not, but I will not have evidence here of discussions with the British Transport Commission about a Freight Charges Scheme.

6755. (Mr. Vian-Smith): If you please, Sir. (*To the Witness*): The point I was trying to get was this: When you said there had been some inconsistency in their policy, what you meant was, was it not, that you had found that on the one hand it had been inclined to say that it wanted a policy of equality in charging and that at other times it was inclined to say it wanted the reverse?—Yes, exactly.

6756. And in the result you have seen on this Charges Scheme and certainly on the previous Scheme that it was based on equality?—Yes.

6757. You have seen that?—Yes.

6758. I want to put this question to you as a representative of industry and commerce: Would you see anything fundamentally wrong if the Commission were to follow a policy of charging both for passengers and for the other activities that was a policy of inequality—that is, that they did not insist that every passenger or every person paid the same amount for the same service?—I think if you do not adopt a commercial policy, there is bound to be inequality. You cannot have the same treatment for everybody—the circumstances vary so much.

6759. So if you see anything in the existing Application which showed inequality, you would not object to that?—Yes.

6760. I take it from your answer that you would not object, provided it was based on sound commercial principles?—Yes.

6761. You told us a little earlier that you were Chairman of the British Chambers of Commerce Transport Committee and of a number of other bodies. You would, I take it, be aware that both in this and in the last Scheme there is no reference to the issue by the Commission of traders' season tickets?—Yes.

6762. I take it that you are also aware that up to the time of the last Scheme they were issued and then they were withdrawn by the Commission?—Yes.

6763. On behalf of industry and commerce, have you made any form of representation to the Commission on this point since the last Charges Scheme?—We made representations to the Central Transport Consultative Committee.

6764. Are you able to tell us, again having in mind what was said earlier by the President, namely, that we do not want to be involved in any discussions, what the result?—

(President): No; I do not want to go into the result of an application to, or discussion before, the Consultative Committee.

(Mr. Vian-Smith): No, Sir; I want to ask the Witness what the result of the approach to the Commission was.

(The Witness): The Commission were not disposed recently to entertain the idea, but I rather sense now that they feel that industry has some case for consideration.

(Mr. Vian-Smith): Did they give industry and commerce any reasons for not being prepared to issue these traders' season tickets?

(President): Really, you know, we cannot have an examination of this sort. If you wanted to put any questions to the Commission's witnesses, they were here, and that was the time for you to enquire what their reasons were for doing something or for not doing something. If Mr. Jordan has reasons for advocating something, let him tell us, but he must not tell us the Commission's reasons.

(Mr. Vian-Smith): The point I was trying to establish was that there were two reasons given by the Commission as to why these tickets could not continue to be issued, and I was going to ask Mr. Jordan some questions as to those reasons.

(President): Have you put these questions to the Commission's witnesses?

(Mr. Harold Willis): I think it would help Mr. Vian-Smith if he looked at Mr. Roberts' answer to Question 4755 on page 288 of the Fourteenth Day, when the attitude of the Commission was very clearly set out. The question is: "I am extremely obliged to you, because that anticipates the very next point I was coming to, which is this: (*To the Witness*): Could you tell us—we have already agreed that there were these very important representations made by Statutory bodies—what response they received from the Commission?", and here is the answer, which sets the thing out very clearly: "The Commission are always ready to listen to representations from responsible quarters, and I know that they have been most impressed by the views which were advanced by the Central Transport Users' Consultative Committee—in fact they are still considering them. It may be that something will come out of it as a result of these representations, but if anything does come, it will obviously have to be on a thoroughly sound commercial basis, and I am quite certain that it will not be the traders' season ticket as we have known it in the past"—there is the whole matter in a nutshell.

(Mr. Vian-Smith): Thank you; I was indeed aware of that reply, but we find ourselves in rather a cleft stick here, in that right up to the point of this Inquiry the approaches that have been made to the Commission had virtually been rejected, and then soon after this Inquiry began there has admittedly been a slight change in the attitude of the Commission in this respect. I do not want to say any more than that, but I did try very hard to get both the witnesses for the Commission to say what were the reasons that they had decided to discontinue this facility. I was not very successful; I could have tried harder, but it may have prolonged the hearing a

17 April, 1953]

Mr. CHARLES EDWARD JORDAN

[Continued]

bit. That was the point of my question to Mr. Jordan—as to the reasons given to the Commission which I was unable to get from the Commission's witnesses. Would I be permitted now to ask Mr. Jordan those questions?

(President): I regret now that I did not say earlier what I did say at Question 4757 on the same page, because it is quite impossible for us, and it would wrong for us, to enter upon an examination of what were strictly matters for the Consultative Committee and their views, and also it would not be a right thing from the point of view of the Central Consultative Committee, whose functions are quite different from ours.

(Mr. Vian-Smith): If you please, Sir; I will try to proceed, avoiding those difficulties.

(President): After all, we want Mr. Jordan's opinions in favour of the course which you are suggesting is the right course; what his opinions are of the Commission's opinions are really of much less importance.

Anyhow, I think we had better have Mr. Jordan's opinions at a quarter to two.

(Adjourned for a short time.)

(Mr. Poole): I do find some difficulty in hearing you, Mr. Vian-Smith—could you speak a little more distinctly?

6765. (Mr. Vian-Smith): I have had an adjustment made to the microphone—which will perhaps improve matters.

I would like, Sir, to avoid the difficulties we encountered just before lunch-time. Mr. Jordan, is it within your knowledge that one of the basic reasons which have been given for the Commission having discontinued trade season tickets is that it would be unfair as between those members of a business community who take advantage of it and the other members of the travelling public?—That is my impression.

6766. What is your view of that?—I feel that there should surely be some differentiation between a trader who may be handling freight to the tune of half a million a year and the individual who perhaps goes to Blackpool in August once a year.

6767. And even a season ticket holder who uses the Railways for travelling to and from work?—Exactly.

6768. Is it also within your knowledge that the very reason that has been given is right—that it was no longer a sound commercial proposition for the Commission to continue the facility?—I think they were referring to the good-will aspect of the matter.

6769. You mean both as regards passenger traffic and the use of the other services, such as freight?—Yes.

6770. Now it has been put to you that the old system was open to abuse. What is your view on that?—I think it certainly was. The old system did allow of that, but the proposals we make obviate that sort of thing. We have, for example, suggested that the minimum distance should be 100 miles, and I think that would obviate abuse.

6771. There is, I think, a fourth reason which has been put to you for the Commission having withdrawn the facility, and that is that it is no longer producing additional freight revenue for the Commission in the way that it did when first introduced, that is some £400 or so a year.—Do you want me to give some evidence on that?

6772. As to whether you think that is a reasonable objection to use?—I have evidence to show that the cancellation of trade season tickets did result in loss of revenue to the British Transport Commission.

6773. Have you got that in some statistical form, or is it possible to present it?—Naturally I have not got a lot of statistics, but I could, if the President would agree read a letter from a very well-known manufacturer—

6774. Without having to read that letter perhaps you can give us the gist of what, within your experience, without reference necessarily to any particular letter, as to whether there has been any loss of revenue on either side to the Commission, passenger or freight, as a result of the withdrawal of the facility?—I think when the manufacturer was confronted with the idea that he must have an ordinary season ticket he began to examine whether such a ticket was of value to him. If he found it was of no particular financial value he discontinued it, whereas

previously he would not have gone so far as to inquire whether it was worth having the ticket or not.

6775. Would you say it is possible for the Commission to assess that on any statistical basis?—I should say it would be rather difficult to do.

6776. Is it within your knowledge and experience that railway officials whose place it is to deal with this sort of thing have expressed any views that would support your view?

(Mr. Harold Willis): With respect, Mr. Vian-Smith, we cannot have that.

6777. (Mr. Vian-Smith): In other words, Mr. Jordan, have you found in your own experience that there was a loss of revenue to the Railway as a result of the withdrawal of this facility, though it might not be easy to assess it statistically?—That is my opinion.

6778. I wonder if you have with you the transcript of the proceedings for the 13th day of this Tribunal, and if you would just turn to question 4230?—Yes, I have that.

6779. You will see there that I asked Mr. Valentine some questions regarding the increase of taper in an ordinary season ticket. You will see there that Mr. Valentine gave a reply to the question that I asked him and told us that the tapering of the season ticket scale was entirely designed, exclusively designed, to allow for the fact that the tendency of passengers to make use of their season ticket diminishes as the length of the journey increases?—I would certainly agreed with that.

6780. You think that is a sound principle?—Yes.

6781. I wonder if you would tell the Tribunal what you feel is the main and essentially real justification for the use of traders' season tickets?—Well, I think in the first place there is this factor of goodwill. I feel that such a large organisation as the British Transport Commission—the Railway Executive—cannot just ignore that fact in the situation, and, in my experience, it comes out from time to time in the relationship between Railway Executive officials and traders that this aspect is so very important. I think, too, there is evidence to show that they really have lost revenue in consequence of the withdrawal of this particular facility.

6782. The point on which I would like to get your opinion is—would you think that the user of the traders' season ticket uses his ticket as much as the holder of an ordinary season ticket?—No, not for one moment.

6783. What would you think would be a broad average of use, the number of times in the course of the week that he would use it?—Not more than once a week, I think.

6784. It could be twice, I suppose?—Possibly, and then you get those long periods when a man may be out of the country, or on holiday.

6785. He would have the season ticket for a year, would he not, whether he used it or not?—Yes.

6786. Would you say, therefore, bearing in mind that the traders' season ticket was issued at a charge in some cases much below the cost of the ordinary season ticket, that one of the main justifications for that was that he used it less?—I should say it was the only basis.

6787. Would you feel, therefore, that the issue of the traders' season ticket would be a reasonable extension of the idea that Mr. Valentine gave us here?—I certainly would.

6788. I think you will recall that elsewhere, when I was asking a witness questions on the Commission, he referred to the fact that in the past the level of traders' season tickets had been very substantially below the standard rate, sometimes 90 per cent. below? Would you think there is any real justification for that in future?—No, I do not think I should.

6789. Could you guide the Tribunal on that, give them some idea of what, in your opinion, industry and commerce would consider a reasonable level below the ordinary season ticket rate?—I should think 25 per cent. below.

6790. (Mr. Poole): Would that pay, to travel once a week if the rate of the season ticket was only 25 per cent. below the ordinary season ticket rate?—I was thinking of the Liverpool and Birmingham one—you would have to travel three times a fortnight.

17 April, 1953]

Mr. CHARLES EDWARD JORDAN

[Continued]

6791. It is not a very great hardship if you have to take an ordinary ticket, surely?—Not a great hardship.

6792. It might even be a day return ticket, possibly. But even if it were an ordinary ticket it would not be much more expensive if you used it on an average once a week, than having a traders' season ticket on the basis you suggest.—I think so often it was not used even once a week.

6793. Then all the more it would pay you better to buy an ordinary ticket—it would, in those circumstances.

(President): Mr. Jordan, you must choose, or Mr. Vian-Smith must choose, which case is being put forward—either that it is a valuable concession to the trade and means that a trader is travelling at a cheaper rate than he ordinarily travels, or it is a valuable concession to the Commission, which seems to be the view at present being put forward, namely, that the trader does not travel as much as the ticket pays him to do, even less the discount of 25 per cent. Both views cannot be right.

(Mr. Vian-Smith): Yes, if it please you, Sir, the point I was trying to make here and to ask Mr. Jordan to help us on, was that over the whole average it may be possible to assess that—taking a person, for example, who travelled from Glasgow to London once a week on the average, there is always a possibility that it may rise to twice a week, and so the same probability increases. But it still forms a valued facility, and he knows that he does not stand to lose as much as he would have to lose if he did not use it as if he had an ordinary season ticket. So often a trader cannot say if he is going to travel regularly a certain number of times.

(President): As long as it is appreciated that both views cannot be right at the same time.

6794. (Mr. Vian-Smith): No, indeed, Sir. You have to bear in mind that the trader—unlike a person who is going to travel regularly every day from London to his office—wants something on a more flexible basis to assist him, and it may be at the end of the year he will add it up and find it would be a lot better to buy an ordinary ticket than buying a traders' season ticket, but he will not have lost as much by not using it than he would have done if he had an ordinary season ticket.

There is one final point, Mr. Jordan, I believe that the qualifying rate of freight, judged at least on present-day standards, was rather low at the time.—Yes, I think it was £400 a year.

6795. Would you say it would be reasonable to ask for that same level to-day, or do you think it should be higher?—Having regard to the altered value of money I think it should be at least £1,000 a year.

6796. At least?—Yes.

6797. I want to leave the traders' season ticket now, and turn to the question of bulk travel facilities. You are aware that, as a result of the last Charges Scheme, the discount normally allowed on bulk travel facilities was withdrawn?—Yes.

6798. And it is not in the present application?—(Mr. Harold Willis): It was not as a result of the Scheme, but following it.

6799. (Mr. Vian-Smith): Thank you—following the last Scheme it was withdrawn?—Yes.

6800. But are you aware of any similar kind of facility that is operated by the Commission at the present time which could compare with the older bulk travel arrangement?—They have a warrant travel scheme. They had that at the same time as the bulk travel arrangement.

6801. As an alternative?—Yes.

6802. Does that involve payment in advance?—Yes.

6803. Is the amount of payment in advance as great as the payment in advance in respect of the old bulk travel scheme?—I should say less.

6804. For a less period?—Yes.

6805. Is there any form of discount made in respect of that payment in advance?—No.

6806. Would you tell us, from your own knowledge and experience, what has been the effect on industrial and commercial users of the railway services, at any rate, on the withdrawal of the discount on bulk travel?—I think there has been a certain discontinuance of even the warrant scheme. You get this sort of thing—a man may

be issued with a warrant ticket, maybe a commercial. He would normally travel first-class. But if he has to take the money out of his own pocket and claim expenses he would travel third-class and pocket the difference.

6807. You feel that bulk travel facility helps to avoid that?—I think it did.

6808. (Mr. Sewell): Do you suggest that is a common practice?—No, I would not say a common practice.

6809. (Mr. Vian-Smith): The scheme was not without its advantage to the Commission?—Certainly not.

6810. Would you say that any loss which occurred to the Commission in revenue would be in any way serious—an any loss as a result of this withdrawal?—Not very serious.

6811. But would you say that the goodwill factor was a serious one?—I think so.

(President): A bad-will factor for those who could no longer cheat on their expenses account, surely.

6812. (Mr. Vian-Smith): If it please you, Sir. But the point I was trying to put to you was, do you feel it has been just another irritation as between the Commission and your principals?—I think that is the main aspect of it.

6813. Do you think it has been a necessary irritation? After all, the Commission did claim to be after getting extra revenue?—I cannot understand why the old Railway Companies introduced it, because I cannot see that the situation now is any different. Why they should offer such a facility and then withdraw it after so many years is beyond me.

6814. You feel its withdrawal was unnecessary, an irritation that could have been avoided?—I do.

6815. I wonder if you could turn to exhibit 101, which appeared in the printed documents on page 29. I very briefly wanted to ask you one or two questions about this exhibit. Mr. Jordan, am I right in saying that in column 2 of this table you have recorded certain selected charges made in certain selected schedules for certain mileages in the existing Passenger Charges Scheme?—Yes.

6816. I take it you have only selected those on the basis of 10, 20, 30, 40—denominations of 10?—Yes.

6817. In the third column you have put the comparable charges that are being applied for in the present application?—Yes.

6818. And in the fourth column you have sought to express as a percentage the difference between columns 3 and 2?—Yes.

6819. And we see there, in the case of the selected fares, you have taken the second schedule, that at the top of the scale, a person travelling 10 miles, the increase representing an increase of 6.6 per cent.?—Yes.

6820. And at the bottom of the scale 18 miles, which is a fraction of 5 per cent.

(President): All this means if you add 1d. to a small amount it is a greater percentage than if you add 1d. to a larger amount.

6821. (Mr. Vian-Smith): Indeed, Sir, it means no more than that. In so far as this represents a percentage increase, bearing in mind what the learned President has said, would you say there is any equality about it, the application of 1d. to a person who is going to travel 10 miles and to someone who is going to travel 80 miles?—I should say that the British Transport Commission have had to accept the principle of inequality in prices.

(Mr. Vian-Smith): There is nothing equal, in your view?

6822. (President): It really depends what you mean by "equal". If Mr. A. is asked to pay 2d. and Mr. B. is asked to pay 2d. it is equal, but if they are both mathematicians and think in terms of percentages of their previous outlay it is not.

(Mr. Vian-Smith): If a person pays the same increase although he uses the service more—

(President): If you start with 1d. increase on the lower fare, and you are going to increase them equally in your fare, you will demand from passengers a much greater increase in revenue than the Commission are seeking.

17 April, 1953]

MR. CHARLES EDWARD JORDAN

[Continued]

6823. (*Mr. Vian-Smith*): You will see, from the questions I am going to ask, that it is not a point of complaint. At least there was under the existing Scheme some basis of equality in that every person paid, in each of the cases for mileage quoted there, 1½d. a mile whether he travelled 10 or 80 miles?—Yes.

6824. There is some basis of equality?—Yes.

6825. It has the result of adding this 1d. in column 3—while it is only a minor disturbance it is a disturbance?—Yes.

6826. And if there is any extension of that in future Schemes it will be more?—Yes.

6827. So you say it has nothing to do with equality?—Exactly.

6828. Have you any complaint on that?—Not really.

6829. You do not mind whether the Commission base its charges on some form of equality or inequality?—It may be sound to base it on inequality, of course?—It depends on the circumstances.

6830. What sort of circumstances?—On the distance.

6831. If they spend more money with them?—I think you must accept a tapering principle.

6832. And that same principle, does it not apply to the other figures you have quoted, schedule 3 and 4 and that relating to season tickets?—Yes.

6833. In the case of season tickets it is rather magnified, in that it is a small sum on large amounts?—Yes.

6834. There are just one or two general questions I want to ask you before you finish, Mr. Jordan, on the general objection. Could you give the Tribunal your views as to whether you feel that the increases that are being applied for in this Scheme are in any way justified?—Well, I think it is entirely a matter for inquiry, for investigation.

6835. Do you feel that as a result of examining the very very comprehensive figures which we have had put before us in the Tribunal, it is possible to decide whether or not the increases are justified?—I do not think it is.

6836. Why not?—Because, as I said, we feel in trade and industry there should be quite a comprehensive inquiry into the finance and operation of the British Transport Commission.

6837. An inquiry into what? This has been an inquiry that has lasted for some nineteen to twenty days?—I mean more as regards operational and commercial items.

6838. (*President*): Have we then got to adjourn, Mr. Jordan, to come to some decision. What do you suggest we should do—wait until there has been a comprehensive inquiry?—That is my view.

6839. Although we do not know whether one will ever be set up?—I do not know the exact procedure, but I suppose we could recommend that, Sir.

6840. We have no powers to recommend anything of the sort. Are you really suggesting that it would be wise for us, at this moment, to adjourn this Inquiry and say we cannot form any conclusions on these difficult matters until there has been a comprehensive inquiry of some other sort?—On our side we are not satisfied that there is sufficient economy and efficiency in the operations of the British Transport Commission. We do not see why these costs should be passed on to the travelling public necessarily.

6841. You have had an opportunity at this Inquiry of going into the operating efficiency of the Commission.—What Inquiry do you refer to?

6842. This Inquiry. If you have a feeling of that sort, this kind of inquiry is the appropriate place at which you can translate your feeling into something positive, by way either of questions to the Commission or suggestions of your own.—I do not want to labour the matter, but I feel we want something rather different from this type of thing—something that a business organisation would be willing to accept.

6843. Yours is a business organisation, is it not?—Yes.

6844. Why cannot the questions which would be put in the sort of inquiry you have in mind have been put to the persons who have been giving evidence on behalf of the Commission?—I will leave that to Mr. Vian-Smith.

6845. I was rather asking for your views. An inquiry, as I understand it, means asking a lot of people a lot of questions—I do not think so—I mean something rather different, much more varied. Some of it might take 12 months or two years.

You see if I can give you an example, Sir; I can remember before the war when it took 28 days to overhaul a locomotive, and they would come before the Railways Rates and say so, and it was quite impossible for trades organisations to disprove them. Yet some years later that locomotive could be overhauled in 48 hours. That is the sort of thing I have in mind.

6846. (*President*): That sounds as if they do something without an Inquiry, does it not?—Yes, I do not question for a moment that the whole time inside the railway organisation and British Transport Commission the officers are concerned with economy and efficiency, but it is surprising what an outsider can do when he comes and looks at these things. After a man has had 30 or 40 years on the railway he is in a certain groove, if I may say so, and is not receptive to new ideas.

6847. (*Mr. Vian-Smith*): I wonder perhaps if you could help the President; perhaps the word "inquiry" might not be the best word to use. Did you envisage a detailed investigation?—Yes.

6848. Rather than just asking someone some questions and getting an answer, and that is that?—Quite.

6849. Did you envisage something more than that?—I did, yes.

6850. For example operating costs?

(*President*): How do you investigate without either asking questions or looking at a document?

(*Mr. Vian-Smith*): Not only that, but not without looking, perhaps, at the way an operation is being carried on and seeing whether perhaps it could be carried on differently and at less cost, rather more than a court of inquiry in the form of question and answer.

(*The Witness*): I think, if I may say so, Mr. President, the thing is like time-study and that sort of thing. I know, of course, that the railways are conscious of that, and have their own methods.

(*President*): Do you think that I am reluctant to adopt this suggestion on a personal ground. Nothing would be easier for us than to say that we have come to the conclusion that we must pack up and go away until some interior investigation has been carried out by some other body, but it does not seem to me that the Statute makes that possible to us, nor, so far as I know, is there any likelihood of any such investigation being carried out.

(*Mr. Vian-Smith*): I shall, in fact, when I come to address you venture to put forward a suggestion on this point if you will allow me to do so.

(*President*): When you come to deal with it will you tell us what is to happen to the finances of the Commission meanwhile, assuming it to be that at the moment they are running at a loss?

6851. (*Mr. Vian-Smith*): I will certainly cover that point when I make the suggestion. Perhaps it would be fair to ask you, Mr. Jordan, here and now, do you feel that what you are asking should be done in terms of the Commission is unfair in that it has not been done in industry or have you had experience of it being done in industry?—I am associated with Tube Investments Ltd., which has been established for a fair number of years. We have always been a prosperous and progressive group of companies, yet after the war we said we would invite some independent business experts to examine our various operations. In some cases the investigation covered some two years. The net result was that we reduced our costs by 15 per cent., and yet at the time the investigation started we thought we were pretty efficient.

6852. Would you have to wait for the whole of that long period before you achieved any benefit, or was it done in stages?—In some cases the investigation only lasted three months, according to the size of the firm and the nature of operation; two years was the maximum.

6853. In which the whole thing was completed?—Yes.

6854. Were you able to feel the benefits earlier?—It was progressive.

6855. It was a progressive operation?—Yes.

17 April, 1953]

Mr. CHARLES EDWARD JORDAN

[Continued]

6856. Is that the kind of investigation you have in mind for the Commission's operation?—Yes.

6857. And it should include outside or independent people to come in and assist them?—I think that is absolutely essential.

6858. There is a final point on which I want to ask some questions. Have you any knowledge or experience of serious losses of passenger traffic and revenues on the railways, losses of which you know or know reasonably well, which have passed over to other forms of transport such as road passenger transport?—In the West Midlands it is established that the railways have lost approximately 75 per cent. of their suburban traffic.

6859. What are your grounds for saying that? Without again asking you to go into detailed statistics, have you something in mind?—After a report I made to the Council of the Birmingham Chamber of Commerce it was decided to ask the Junior Chamber to investigate. They obtained their report largely from the railway. I do not think there is any doubt that the loss was 75 per cent. It varied occasionally; it was sometimes 80 per cent and sometimes 40 per cent, but it was definitely established that all this traffic has left the railways and gone on the roads.

6860. What action was taken as a result of this rather interesting inquiry?—The Chamber of Commerce decided to enlarge their investigation and ask the trades unions and the Federation of British Industries and other large bodies to come in. We met a local railway officer and an assistant from his headquarters, and we discussed the question. I regret to say that the result was entirely negative.

6861. Do you mean by that they were not disposed to accept your suggestions or did not agree with your figures? Did they accept your figures?—They accepted our figures because we obtained them from their sources.

6862. You obtained the figures of numbers passed from railway to road from the railway people?—We had our figures of the numbers passed to road from the bus companies and the Corporations.

6863. And they did not dispute those figures?—No, they did not dispute those figures on the facts.

6864. Did they agree they were losing the traffic to that extent?—They took the line that they had lost the traffic and did not see any hope of regaining it.

6865. Did you put forward any suggestions?—We put forward an enormous number of suggestions.

6866. They did not think they were any good?—They did not think they were of any value.

6867. Will you look at the Fourteenth Day of the proceedings? You will see from Questions 4693 and 4694 that I asked Mr. Roberts a number of questions about

this. I asked him if he had any knowledge of substantial losses in railway passenger traffic that had gone over to road.

(President): During the last year?

6868. (Mr. Vian-Smith): During the last year. And he said he did have. From the investigation you made will it probably cover a long period? Were there any indications that that increase in change-over of traffic from rail to road had taken place in the past year as near as that could be assessed?—I had no figures on the past year.

6869. (President): When was the investigation?—From the spring of last year, but, of course, we had to take the figures we had available which were the 1950 figures.

6870. (Mr. Vian-Smith): And compare them with what?—And compare them with 1951.

6871. Mr. Roberts was unable to assess whether or not there had been any serious transfer?—Yes.

6872. But the results of your conclusions, at least in that area, were that you thought there had been?—I would not say in the past year there has been any further loss of traffic. I think the losses have been so substantial that they could not lose much more, unless they were going to lose all the suburban services in the area; but there has been no regain of traffic.

6873. While what you have told us only relates to the West Midland area, from the very wide contacts you have with users of transport do you think there has been a similar experience in other areas?—It think it is general.

6874. And you feel there has been indeed a constant drift over, and certainly in the past year the situation has not improved at all, if anything it has deteriorated?—I should think it is pretty static now. They have lost the traffic, I think, and they are not getting it back.

6875. Do you feel there is anything the Commission can do, bearing in mind we now have this Scheme before us to assist?—I do not like to attempt to teach people what their job is; but surely on the questions of the diesel cars, they are being very reluctant to exploit it in this country.

6876. Do you feel that might be due perhaps to a lack of capital?—I should say that has been a distinct factor in the situation.

6877. If I may just take you back to the idea of an investigation, do you think the results of that investigation might assist the Commission in that direction, and that it would come to some finding?—I sincerely hope it would.

6878. If it had some authority and backing you think some action might be taken?—I think trade and industry would back it whole-heartedly.

6879. So you feel that these things being investigated would benefit the Commission as well as industry and commerce?—Yes, because I feel our interests are mutual.

Cross-examined by Mr. HAROLD WILLIS.

6880. Mr. Jordan, you have just been referring to the losses of passenger traffic to the railways?—Yes.

6881. Do you think the railways are not desirous themselves of taking whatever steps are possible to get traffic back?—They do not display too much anxiety in that direction.

6882. You think perhaps that if you were called into consultation with them you would be able to help them to find ways and means of doing it?—I can assure you in this report (which I would be very pleased to let you see) we made a number of concrete suggestions in the West Midland area to help the railways.

6883. Was there a suggestion that trains should be run at less than cost price?—No, on the contrary. We showed the local railway people the experience in Ulster. There they used diesel cars at very much less than the cost of the steam locomotives.

6884. Another thing you suggested which is in your Objection, to which my learned friend has called attention, is that any decision ought to be deferred, pending some thorough investigation?—I think it is long overdue.

6885. You said your Company, Tube Investments, had an investigation?—Yes.

19160

6886. And it took two and a half years?—No, in the larger companies it took two years and in the smaller companies two or three months.

6887. What was the capital of tube investments?—I cannot say offhand, but somewhere round £10m. or £20m.

6888. Do you know what the capital of the British Transport Commission is?—I believe the railways used to be £1,000m.—over £1,000m.

6889. Well over £1,000m. How long do you think that investigation would take—ten years on the same basis?—Oh no, not for a moment.

6890. Mr. Jordan, are you seriously suggesting to this Tribunal, with the authority of your Associated Chambers of Commerce behind you, that that is the right course for the Tribunal to take?—Yes.

6891. That the whole thing should be deferred until such investigation has taken place? Is that the view of the Association for whom you are giving evidence?—That is their view.

6892. Then there is a number of other matters which you have raised, first of all there is the question of the

B

17 April, 1953]

MR. CHARLES EDWARD JORDAN

[Continued]

traders' seasons. Mr. Vian-Smith was the witness last time on that, was he not?—That is right.

6893. You sought last time to ensure that that became a provision in the Scheme?—Yes.

6894. And that was not successful?—It was left to the discretion of the Commission, was it not?

6895. The very first thing I think you said in your evidence, Mr. Jordan, was that it was desirable in commerce that there should be as much freedom of charge as possible?—Yes.

6896. Will that not apply equally to the Commission?—That is exactly what the Commission are seeking.

6897. Is it not right that they should have a discretion? Discretion based on sound commercial principles?—Yes, I should accept that.

6898. So you would accept that the grant of facilities by way of season tickets to traders is something that ought to be judged in the light of commercial principles?—Yes.

6899. You know, do you not, from the answer that Mr. Roberts gave Mr. Vian-Smith, that traders' seasons in the old form are something that the Transport Commission cannot contemplate?—I should agree.

6900. You would agree with that?—I would agree.

6901. Open to a great deal of abuse?—Undoubtedly.

6902. And you also heard Mr. Roberts say that something designed to achieve something of the same result is still under consideration?—I was not of course present in Court, but that is what I understand.

6903. I am sure Mr. Vian-Smith has informed you—I have seen it in the evidence.

6904. Does that not satisfy the Association of British Chambers of Commerce?—It appears to me to be rather an afterthought on your part.

6905. Is that the complaint—that it is an afterthought?—It seems to be an afterthought.

6906. Is it satisfactory now?—If you give me an assurance that the Commission would introduce traders' seasons.

6907. You have seen the answer Mr. Roberts gave; that is something the Commission are considering, something quite different from the old traders' seasons, but something they have not ruled out certainly as a possibility. You have read that?—I have read it, yes.

6908. And as I understand it you are content that the decision of the Commission in this matter should be given on broad commercial considerations? You just told me that a little while ago.—Yes.

Re-examined by

MR. VIAN-SMITH.

6923. Mr. Willis asked you a question about the fact that you were aware that the Commission had intimated that they were still considering the question of traders' season tickets. Is it within your knowledge that before this Inquiry started the Commission had rejected representations for the re-introduction of traders' season tickets at its discretion on an up-to-date form?—That is quite right.

6924. It had been rejected?—It had been rejected.

6925. And since this Inquiry started, in fact you can say since the 26th March—I believe that is the date; I could be out one or two days there—there has been a slight improvement in the situation?—Yes. I think they are reconsidering the matter.

6926. Is it your fear that after the Inquiry ends there could be a deterioration again?—They may in their discretion reject it again.

6927. Just as they rejected it before this Inquiry started?—Yes.

6928. Mr. Willis asked you whether you wanted the Commission to remain as free as possible in the matter of charges. Would it be true to say that it was you, and your own Association, Mr. Jordan, who long ago—some

6909. So perhaps we can now pass from traders' seasons. You raised a question about the withdrawal of the bulk travel facilities.—Yes.

6910. Do you know, Mr. Jordan, that it was opened by Sir Malcolm Trustram Eve last time that that was being withdrawn because of the loss of revenue involved?—Yes.

6911. You know that was the basis?—I understood that was the basis, yes.

6912. And you would accept, would you not, that losses of revenue are a very important factor for the Commission to have in mind?—Yes.

6913. At the present time and even before the last Inquiry, there was an alternative system, namely the warrant Scheme, which traders can adopt if they wish to do so?—Yes.

6914. It has obvious advantages for the traders, has it not?—It is convenient.

6915. It is convenient to the trader and achieves a more accurate checking of expenses accounts?—Yes.

6916. A point we have already had raised. The trader need not adopt it if he does not want to.—It is quite optional.

6917. What is your complaint about it? What are you really asking for at this Inquiry in relation to that?—The warrant does not offer us any cash discount at all, and at the same time we are paying for our travel well in advance in some cases.

6918. Have you in fact investigated how in general this warrant scheme works? You pay something in advance, covering what, about six weeks travel?—About six weeks travel, yes.

6919. Let us assume you buy appropriate warrants at the beginning of September for six weeks travel. Do you know when the bill for the September travel will in fact reach the trader? About the end of October?—Of course it all depends on the Railway Executive, if their work is up to date we will get the account in earlier.

6920. In practice, yes, but this has to go through the Railway Clearing House, does it not? You know the difficulties of these things being done quickly, with all your very vast experience.—Yes.

6921. If in fact the trader does not get his bill until the end of October he is getting a credit there which near enough equals the amount he has deposited. There is not much in it.—No, there is not a lot in it.

6922. I think that is all we need ask about that. Then the other matter is the rather more general point. Would you, Mr. Jordan, with your experience regard it as right that in this Scheme the Commission should remain as free as possible to introduce such adjustments in their fares as commercial experience dictates?—Yes.

MR. VIAN-SMITH.

eighteen months to nearly two years ago—submitted proposals to the Commission for having that greater freedom, which now are only just about to be given effect?—Yes, that is right.

6929. So you are not in any sense narrow minded about it. And I take it that it is only because you are a little angered about the past attitude of the Commission that you ask the Tribunal to make a mandatory provision, which is quite a serious position, a mandatory provision in the Scheme?—Quite right.

6930. In other words if you think the Commission would be as sensible as Mr. Willis urged—

(Mr. Harold Willis): He said it ought to be done on a commercial basis.

6931. (Mr. Vian-Smith): Have you found that the Commission have not always been too quick to act on what is a commercial basis; that they are not too quick to realise it, to adopt it and to recognise it as a reasonable commercial basis?—I think I could criticise them very much on commercial lines.

6932. Might that not have something to do with the fact that they have to come to the Tribunal now?—I think so.

(*The Witness withdrew.*)

17 April, 1953]

[Continued]

(*Mr. Vian-Smith*): May it please you, Sir; I think one of the outstanding features of the Objection of the Association of British Chambers of Commerce is not so much what is contained in its Objection as what is not contained. You will notice that one thing my Association have not instructed me to do is to enter into any protest as to the level of a particular increase applied for in this Scheme, nor has our Objection said that the increase is unjustified.

The real fact of the matter is, Sir, that the Association whom I represent does not know whether this Scheme is justified. It would be true to say that we have been ready, throughout all the evidence that we have sifted and listened to most carefully in this Inquiry, to withdraw the general objection that we have put in had we found that the facts and figures put before this Tribunal could show us that our fears were groundless. The fact of the matter is, Sir, that we do not know whether these increases are justified.

Furthermore, we cannot see how, although a great deal of information regarding the working expenses of the Commission has been given (and it is shown in B.T.C. 401 as the sum of £1,501m. in respect of the British Railways), we hold the view that with this large sum of expenditure it might be possible, in fact we go so far as to say it is possible, to achieve a saving of some £4m. or £5m. from the working expenses of the Commission. We do not know it as fact, but we think it could be done.

You have heard how Mr. Jordan has given you a comparable experience, indeed with a smaller undertaking with less capital as was brought out by learned Counsel; but it may be that carries with it the inference that such an investigation, given a much broader field as it would have in the Commission, might be more fruitful. But, hard as this learned Tribunal may labour, as it has and does, on the facts and figures put before it, we are still unable to arrive at a conclusion whether or not these increases are justified. We have seen these Inquiries as an annual event, we see in industry and commerce how they affect us, how they are followed by increased wage demands and increased prices of products, and these affect the Commission because they have to use the products and buy them. So this whirligig goes on year after year, and we are not at all certain that something could not be done to prevent this being an annual occurrence, and at the same time bring lasting and permanent benefit to the Commission.

It is principally with this fact in mind, Sir, and because we in industry and commerce, who have to use railways for other purposes, are almost as much concerned, perhaps in some cases even more concerned than the British Transport Commission, over the financial difficulties in which they find themselves. But we are not at all certain, Sir, in fact our view is rather to the contrary, that their problems are going to be overcome by having to present a new Passenger Charges Scheme, and perhaps ultimately a new Freight Charges Scheme, for increasing their charges almost every year. For that reason, Sir, in the notice of objection which my Association has put in, we have asked the Tribunal to consider whether or not it is able to recommend that before any new Draft Scheme is confirmed, there should be no increased passenger charges allowed to the Commission until either the Minister of Transport or his colleagues in the Government have decided whether or not they are prepared to hold such an inquiry. I have no doubt that the recommendation from this learned Tribunal that such a step might be useful, which after all would come from a very high level, might be a benefit to the Commission and to industry and commerce, and to their other customers.—

On the other hand, Sir, we heard when this suggestion was put forward that learned Counsel, quite rightly for the Commission, appeared to view the thought with horror: What was to happen to the resources of the Commission, or to their finances, in the meantime? But what would have happened to the finances of Tube Investments if they had not carried out an investigation, which proved a most useful one and enabled them, in a period of two years to reduce their costs by 15 per cent.

(*Mr. Harold Willis*): They could have put up their prices.

(*Mr. Vian-Smith*): They indeed could have put up their prices, as I am reminded, but there is one important differ-

ence, when an industrialist has to make up his mind to put up his prices, he is faced with a certain amount of competition, and proportionately that level is not the same in the case of British Railways. While it is true they do not have a monopoly of carrying passengers by rail, and in many instances it is the only reasonable way for a person to travel—in many instances, I put it no higher. When I use the term "monopoly" I refer to it in terms of a degree of monopoly rather than a complete one. The British Railways are perhaps not concerned with the same seriousness in that decision as a manufacturer of steel tubes would be, for he knows he has a much wider range of competition.

It is for that reason we have asked the Tribunal to consider whether it is not possible to consider that recommendation; or it might be that it is possible to get the best of both worlds and the Tribunal might find it convenient or possible, even if it approved this Scheme, to add some sort of recommendation in the form which we have put forward here.

If that should be the course of action which the Tribunal took, and there was in fact to be an approved Scheme at the end of this Inquiry, we have asked that two provisions should be inserted; the first one relates to the provision of traders' seasons. I was surprised that learned Counsel found it necessary to ask my witness whether what he had said on this and on the preceding point represented the views of the Association for which he was a witness, but it occurred to me that perhaps learned Counsel, and I hope it does not apply to the Tribunal, had not realised that this did in fact form part of the Objection which, by leave of the Tribunal, our Association put in.

(*Mr. Harold Willis*): I fully appreciated that.

(*Mr. Vian-Smith*): One of the requests my Association has made to the Tribunal is that there shall be inserted in any Scheme the Tribunal approves provisions for the issue of traders' season tickets, at a level of charge not lower than 25 per cent. below the ordinary season ticket charges; that such tickets shall only be issued as regards distances exceeding 100 miles; and that it shall be unlawful for such tickets to be used for purely residential purposes.

(*President*): Is any trader to be entitled to such a ticket irrespective of the volume of his traffic?

(*Mr. Vian-Smith*): No, Sir. We have found it difficult to try to put in here what we thought might be a new level of freight qualification, but we had put forward in other quarters, Sir, suggestions on that point. We would not want to be too rigid about it because we think the people should decide that are the Commission.

(*President*): If there is to be a compulsory provision in the Scheme we must know what the provision you are suggesting should be.

(*Mr. Vian-Smith*): That is indeed so, and because the Commission had throughout a very long period of negotiation been unable to reach any conclusions on it, I think it may well be that the Tribunal itself, if it accepted our point of view, would have to decide on what that limit should be. We heard from Mr. Jordan the suggestion that it should certainly be not less than £1,000 per annum. Doubtless the Tribunal, with its own very long experience and knowledge of matters of this kind, would form its opinion as to whether it is a reasonable sum or whether it is an unreasonable sum and that there should be a higher one. But in that respect, within the bounds of reason, my own Association, and I am fairly certain industry and commerce, would accept the decision of this Court.

(*President*): They would have to.

(*Mr. Vian-Smith*): I was going to say they would accept it, and accept it gladly and with grace. We would leave such a decision to the Tribunal without being at all dogmatic about it ourselves.

I perhaps should say that it was not a happy conclusion my own Association found itself being driven to when it had to ask this Tribunal for mandatory provisions to be inserted in the Scheme in respect of season tickets. We would rather like to feel that the Commission would decide this issue for themselves. We have done everything possible outside this Court to assist them in that direction;

17 April, 1953]

[Continued]

there have been, as has been briefly indicated during these hearings, recommendations on this point made by very important bodies, including statutory bodies, to the Commission. They have seen not fit to accept them, even though some of these bodies were set up as a result of the 1947 Act to give advice to the British Transport Commission, bearing in mind that it would not be subject to the same ability of being able to judge influences by consumer control as is privately owned and operated industry and trade. It is therefore with regret indeed that we have had to come to the stage where we would ask the Tribunal if they would consider inserting this mandatory provision in the Scheme.

On the point of the justification for this, we feel there is a number of points which justify the Commission in continuing this facility, or in reinstating this facility. But first and foremost, the main basis upon which our case would rest is that the traders' season ticket does represent a ticket issued to a traveller for a fairly regular amount of travel, but travel that is likely to be more limited than the travel of the ordinary season ticket holder.

Perhaps I may give you a specific example of this when I say that the businessman who lived in Glasgow before the passing of the last Scheme paid, I think, something of the order of £200 for a traders' season ticket. He bought it and paid for it one year in advance, and he would not know whether at the end of the year the outlay would have been justified or not. It would have depended how much things went wrong with his London office or how often he had to come up for Board meetings or to meet his customers. But following the last Scheme and following the Commission's withdrawal of this concession—again I speak only in approximate figures—the cost of that season ticket to the Glasgow man is almost double; I think it is in fact double. It is much nearer £400 than £200. He was prepared to say, It may be convenient and I may profit on it by paying £200 for a season from Glasgow, but I certainly know I shall not profit by taking an ordinary season ticket. I am not prepared to see £150 wasted because I am not using it. He has therefore ceased to be a regular customer. He now has the attractive proposition of coming down by air and in many cases to our knowledge that is being done.

What, in fact, the Commission has done—perhaps because it is less in touch with its customers than the railway authorities themselves—is to tell a customer they do not mind whether he is on their books or not. They are prepared to accept him as he comes and as he goes, and they have turned aside from the very safe business idea that it is sometimes better to have £200 in the till than a prospective £400 which might not materialise.

There are many other reasons that one can put forward but they are not substantial reasons; it would depend on exactly how one viewed them, whether one would think it important to keep ones principal customers in a good mood and feeling good about the undertaking he is dealing with, whether that is important or not. It is difficult to assess that in statistical terms; in fact any attempt to do so might lead you to the opposite conclusion, rather like the difference between an arithmetical calculation and an average that is related to fact. Rather than just a cold arithmetical fact, it is something that the man on the spot is more likely to know much more about—the man in the shop, the man on the railway station—that his masters who are much more remote and further away from dealing with their customers.

These are the reasons why we ask for this to be made a mandatory provision. The goodwill of customers has always been a vital concern to any customer of transport, and we feel in the near future it is going to be more important to the British Transport Commission than it has been in the last four or five years. We shall therefore be reluctant to see that there will be less and less revenue coming, that the railways will be throwing a heavier burden upon those who have got to use railway services, for there are many people in that category.

The second provision that we have asked the Tribunal to insert in this Scheme, is the provision relating to bulk travel facilities or a warrant scheme. We ask in fact that there shall be inserted provisions in the Scheme that will place upon the Commission the obligation to grant a reasonable discount in respect of all sums of money paid in advance to the Commission, by users of the British Transport Commission services, on account of bulk travel

facilities or warrant schemes. Perhaps it can be understood if industry and commerce do not have the same strength of feeling on this point as on the first one, but we still think that the withdrawal of this concession is yet a further example of the way in which the Commission has unnecessarily irritated its principal customers. We find in business, Sir, that a man will come into a firm and say: "Now I hope I am going to be able to buy about £5,000 worth of your products over the course of this year; here is the money in advance. There will probably have to be an adjustment, if I do not quite get there, to carry it on to next year, but again I am on your regular books".

There are, with the bulk travel facilities, of course, advantages to the user, some of which were referred to by the witness Mr. Jordan; but there are other advantages too in that it is easier for accounting for them, and it may too be easier for accounting for the railways. We think that the granting of a reasonable discount—it may well be that the previous discount was too high—to the purchasers who pay in advance for bulk travel is a reasonable requirement. We have done our best (within the bounds of negotiation with the Commission) for industry and commerce, to persuade the Commission that this is a reasonable thing to do. Perhaps they are in the same position in this, as in the case of the traders' season tickets; perhaps it is because they are so young in their experience as a business undertaking, for some of us in business when we are starting out often do not know what is good for us. But unfortunately the Commission, being a public undertaking, may sometimes have to be told in very strong terms because it is dealing with public money, what is good for it, and if necessary persuasion may have to be put upon them for them to see the right way. We would prefer it to be the other way, but because we have found we have been unable to secure it in that way we have come to this very high-level, impartial and important Tribunal, to ask for their assistance in what we genuinely and sincerely believe to be guiding the Commission on the right path.

In closing, Sir, I would like to express my thanks to you for the patience and courtesy I have received at your hands.

(President): I think the National Union of Furniture Trade Operatives is next. What is the number of this Objection, Mr. Willis?

(Mr. Willis): Number 37.

(Mr. Moss): My name is Jack Moss of 20, Aden Grove, Stoke Newton, and I represent the London District Committee of the National Union of Furniture Trade Operatives, which has 32,000 members, who, with their families, represent about 120,000 persons.

I am Chairman of the London District Committee. It represents in the Furniture Industry workers engaged in cabinet making; wood machining; carving, stone and wood; chairmaking; polishing; hand veneering; upholstery; mattress making; blind making and fixing; carpet planning; educational and allied woodwork; cane, wicker and woven fibre furniture; glass processing, which includes bevellers, grinders and polishers; pianoforte workers; sports goods; plywood manufacture; aircraft woodworkers; and artificial limb workers.

The rates of pay in the London Area are as follows: Adult Journeyman 2s. 1d. per hour, plus 9d. cost of living allowance; labourers and porters 2s. 5½d. per hour, plus 9d. cost of living allowance; and women labourers and porters 1s. 7½d. per hour, plus 6d. cost of living allowance. Male Hand Sandpaperers and Packers over 21, 2s. 6½d. per hour, plus 9d. cost of living allowance. Women Polishers, Upholstery Cutters, Loose Cover Cutters, Soft Furnishing Cutters, Carpet Machinists, Hand Sandpaperers, Sewers, Sewing Machinists, Cushion Fillers and women fixing fabrics to radio cabinet frets, 1s. 11½d. per hour, plus 6d. cost of living allowance.

Some 20 years ago a large part of the industry was centred in East London, and as a result of considerable bombing, the workers have been re-housed in areas far distant from their work, and the factories have also changed their location to places like Enfield, Ponders End, Tottenham, Rayleigh (Essex), etc. Because of this change, where before very little was spent in fares, it has now become a large item of expenditure.

17 April, 1953]

[Continued]

I know in my own Trade Union Branch and factory, as a result of the increase in fares of last year, workers have since walked part of their journey or used cycles which they already possessed, and judging from letters received and resolutions to our Committee in the London Area, if the fares rise further, the trend of not using the London Transport will continue.

Our members cannot afford to pay these increases, particularly as we are now going through a period of short time that does not seem to have an end. In the factory where I work, 50 per cent. of all the workers were at work for only two days each week, up to two weeks ago.

In the area of Hackney where I work, three of the largest factories were working from two to four days a week, and this meant signing on at the Labour Exchange on every unemployed day. Two members from my place of work spent the following amounts in fares to and from the Labour Exchange: Mr. T. W., Debden to Buckhurst Hill, 10d. per day. Mr. V. W., Hainault to Chadwell Heath Exchange, 1s. 7d. per day, and this expense occurred on the four days that they were unemployed.

Both redundancy and short time have increased the burden considerably, for although incomes are reduced, the fares remain the same, and the proposed increase will put an additional hardship on our members.

When our members are unemployed they must, generally speaking, seek a job by calling at the factories to find if they have a vacancy. This involves them in considerable travel, considerable expense and considerable hardship.

At this stage I wish to quote fares paid by our members. All these cases have been submitted by the workers in a furniture factory in the Tottenham area. They refer to the fare paid in 1950, at the present time, and what they will be, subject to the proposed increase.

Mr. H., travelling from Richmond to Tottenham, in 1950 paid 12s. 6d. weekly; at present he pays 15s. 10d., and under the proposed Scheme he would be paying 17s. 7d. Mr. F. H., travelling from Loughton to Tottenham, paid in 1950 4s. 6d.; at present he pays 10s. 4d., and after the proposed increase he will be paying 14s. 6d. Mr. G. A. C., travelling from Chigwell to Tottenham, paid 6s. 0d. a week in 1950; at present he pays 12s. 0d., and after the proposed increases he would be paying 15s. 3d. per week. Mr. T. W. B., travelling from Rochester to Tottenham, paid in 1950 14s. 3d.; at present he pays 20s. 0d., and under the proposed increases he will be paying £1 1s. 8d.

(President): Are these ordinary fares or early morning fares?

(Mr. Moss): I think they include both—travelling early morning and back. They have not stated that; these have been submitted by the workers.

(Mr. Sewell): Are there double bookings in some of these? What about Tottenham? Can he get a through ticket do you know?

(Mr. Moss): I do not think so, Sir.

The final one I would like to quote is Mr. J. F. L., travelling from Thornton Heath to Tottenham. In 1950 he was paying 11s. 3d. per week; at present he is paying 15s. 0d. per week, whereas under the proposed new fares he will be paying 17s. 1d.

We have a large number of women members, about one in seven roughly, and in most sections their rate is less than the men's rate, but their fares are the same. Many of these women are married with family responsibilities, and it is a common feature for them to do their shopping during dinner break and to rush home to attend to children. To do this they have to use the London Transport, and as a result an extra burden is placed on them.

The young workers in our industry, which is almost 1 lad to 3 adults, receive the following rates of pay per hour, plus a proportion of 9d. Cost of Living Allowance depending on their ages.

I will not read through the lot, but at 15 it starts off at 8d. an hour, and they reach the full rate after they are 21.

19160

It is the policy of our Union to ensure that all the youngsters entering the Union become competent craftsmen, rather than taking up blind alley jobs, and so they are encouraged to attend evening classes.

Many attend evening classes after working hours. In addition, by agreement with the employers, they attend day release classes one day a week. There are for the London region only nine schools teaching Cabinet-making, Upholstery, Wood Machining and Polishing, and they are situated in Shoreditch, Brixton, Camberwell, Hammersmith, Holloway Road and Lewisham.

This means a fairly heavy travelling expense. These lads must go home first to tidy themselves up, because the nature of our work makes it difficult, due to the considerable amount of dust getting into one's clothes, to go straight from work without changing.

After the last increases in fares, the District Committee were informed of a number of lads who no longer attended evening classes, and the number of new enrolments has fallen. We are convinced that if the fares again go up, many more youngsters will cease attending, and so jeopardise their future.

The Tribunal will appreciate the tremendous burden caused by transport charges on these lads, which the present proposed increased charges will considerably worsen.

Because of the difficulties involved in carrying out a large scale appeal for points of view on the proposed increases, an approach was made to our workers in the largest furniture factory in the London area, and 1,061 workers signed the following protest. I have the signatures here, but the protest reads as follows: "We, the undersigned employees of Messrs. Harris Lebus Ltd., protest most vigorously at the proposals of the Transport Commission to further increase passenger fares, and the consequent additional burdens those proposals will impose on the travelling public. We are of the opinion that the £6m. required by the Commission, representing approximately £1 per head per year increase in travelling costs to users of London's passenger transport services, can and should be found by a reduction in the heavy interest rates to which the services are committed. We, therefore, request the London District Committee of the National Union of Furniture Trade Operatives to make representation on our behalf to the Fares Tribunal".

(President): The next representation is on behalf of the Pitsea, Vange and District Resident Ratepayers' Association—Mr. Pleydell.

(Mr. Pleydell): Mr. President: Learned Counsel and staticians for both parties to this issue have already presented this Tribunal with a mass of figures showing why the Transport Commission should or should not be granted permission to increase fares in the London Transport port area.

This being so, I will present the Objections sustained by my Association as shortly as possible, and would ask the indulgence of this Tribunal if I have to mention in passing matters that have already been dealt with.

A statement has already been presented by the Commission to the effect that there is an estimated deficit in "Y" year of some £4.6m. In Exhibit B.T.C. 401 it is pointed out that in items 13 and 15 the estimated income from "other principal activities" for "Y" year is written down by no less than £3m. In item 23 of B.T.C. 401 it is observed that the cost of special items has increased by £0.9m.

The cost of these three items amounts to no less than £3.9m., out of an estimated deficit of £4.6m. This deficit would appear to be due, not so much to increased costs of fuel and wages, but rather to poor and unimaginative administration.

It is taken that advertising on Transport Commission rolling stock and property represents part of that income styled "other principal activities". Yet, in spite of the large contribution that the advertising department makes to the revenue of the Commission, it is observed that advertising space does not appear to be sold to the extent that obtained even a few years ago; there is a very large amount of space still unsold. Is this due to poor administrative work by the department, or is the space, like railway travel, too dear?

C 2

17 April, 1953]

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Apart from cutting down on travelling facilities in the off-peak periods, there is no mention in the Commission's Application of any endeavour either to economise, or create new sources of income.

This Association contends that any increase in fares is unnecessary and unfair to residents in the Greater London area, who must travel to and from their place of employment—so we call them the "must" travellers. The other section of the travelling public is more or less ignored by the Commission as a source of extra income.

On Statement B.T.C. 6, explanatory of Exhibit 601, page 2, the Commission conceded that any increase in fares leads to a contraction of travel. Their outlook would seem to be: "We must have more money, so put up the fares of the regular workers or 'must' travellers, and cut out all little-used trains"—not, it is noted, "Try and fill those off-peak trains".

The disparity between the Cheap Day Returns of British Railways and those of road transport, although small, is large enough to cause the railways to lose hundreds of thousands of passengers to road travel. It is pointed out that, whether the Commission carries these passengers or not, the overhead expenses are substantially the same.

This Association maintains that no increase in fares would be necessary if the Transport Commission fully investigated and tried a really competitive cheap day return fare, to and from all those resorts within say 80 miles of London.

In this metropolis alone there is a tripper potential of hundreds of thousands, many of whom cannot afford the so-called Cheap Day return fares to their favourite resort. So naturally they choose the slower, but cheaper, method of coach travel, and the railways are left with the same overhead charges, a much smaller income and, most important of all, half-empty trains in the off-peak periods. It is suggested, therefore, that it is not financially that the Transport Commission is embarrassed, but rather that it is impoverished by the lack of imagination and incentive of their administrative staff.

To quote our own line, Fenchurch Street to Southend and Shoeburyness, the Cheap Day Return from London to Southend is 6s. 3d., and the same journey by coach is 5s. return. Again, from Pitsea to Southend, the relative fares are, by rail, 2s. 6d. return; by road, 1s. 6d. return. So once again, the road transport gets the business and the railways are left with the overhead charges and lost traffic in the off-peak periods.

It is observed that, as an experiment, British Railways are running a cheap evening service from Shoeburyness to Fenchurch Street. This is confined to two or three evening trains, and the return fare from Southend to Fenchurch Street is 5s. This is rather strange, inasmuch as the cheap return the other way, Fenchurch Street to Southend, is 6s. 3d. Also, the cheap evening fare is only available to stations between Shoeburyness and Benfleet.

Pitsea, notwithstanding the fact that it is outside the London Transport Executive area, is not allowed this privilege. So now, Pitsea trippers pay 10d. return to Benfleet, pay 5s. return to Fenchurch Street, travel further and pay less than if they booked from Pitsea Station, from which the fare is 6s. 10d. return—they can travel much further for 1s. less.

In closing, it is pointed out that passengers on the Southend—Fenchurch Street line have already sustained two increases in fares, heavy in relation to increases elsewhere. This Association would ask the Tribunal that before it granted any increase the Transport Commission should be made to give really cheap day travel a country-wide trial, in an honest endeavour to create new business and a fresh source of income.

We again maintain that any increase is not justified while no attempt has been made to effect economies, or to show any initiative in selling cheap day travel to this metropolis. Should this Tribunal conclude that any increase is necessary, it is asked that this should be spread over the country as a whole, and that London travellers should not be made to pay an unfair proportion of any deficit.

(President): The next representation is the Polytechnic Students' Council, Objection No. 11,

(Mr. Neufeld): My name is Neufeld, and I represent the Students' Council, the Polytechnic, Regent Street. We have 650 members who are full-time day students, but the case which I propose to put before the Tribunal will apply equally to all technical students in London.

It will be our aim to show the Tribunal exactly where the student position differs from the rest of the community (especially that of Students at Technical Colleges and Polytechnics), and why the proposed increase being studied by this Tribunal would have a particularly serious effect on students.

As has already been shown in our initial objections, the students represented by my union fall into two distinct groups: (1) Those aided by some form of grant; (2) Those unaided by any grant.

My case will often deal mainly with those students in group 1, but it will be seen that most of the points I hope to make are applicable to both. It should also continually be borne in mind that the position of the sponsors in group 2 has become increasingly difficult in view of the general rise of prices during the past few years, and that, therefore, the commitments of many are far higher than those envisaged when the student began his studies. The proposed increases being considered here would increase that burden yet further.

With regard to the position of grants, there are 13,822 full-time students attending technical colleges and polytechnics in the L.C.C. area. Of these, approximately 60 per cent. are in receipt of grants. I have to say "approximately", because this is an estimate based on the situation prevailing at the Regent Street Polytechnic, as no definite figures for this particular group of colleges are published.

The extremely difficult financial position of this large number of students will be seen from the average grant awards for Technical Students in the counties from which the students herein represented come. In 1950-51 the average grant award in the L.C.C. area was £69; in Surrey it was £76; in Essex it was £83, and in Middlesex it was £112.

As more than two-thirds of our students live in London, it will be appreciated that many of the grant-aided students receiving the grant awards of that County have a very low income.

The Minister of Education in her Circular No. 252 (June, 1952) recommended a new scale of awards which would mean an average increase of £5 per annum for students living in lodgings. For those living at home, however, this new scale means no increase, and in some cases even a reduction.

It should be noted that of our students 72 per cent. live at home, and that none of the previously mentioned local authorities has yet, however, accepted this new and still inadequate scale of awards.

Since the scale of grants paid by these local authorities was fixed in 1948-49, the cost of living index has risen by 24 per cent., yet the scale when introduced by the Minister of Education was described as the minimum rates needed to enable students to obtain proper benefit from a higher educational course. But even this is not the whole story, as the cost of living index is based mainly on the needs of the working class income group; but students must buy, in addition to the normal needs, text-books and materials, the cost of which has risen by as much as 60 per cent. in many cases. Furthermore, the rents students pay for their lodgings are not, unlike many working class rents, subsidised in any way.

As yet another indication of the financial difficulties experienced by students, it should be noted that an average of between 40 per cent. and 50 per cent. (in some departments as many as 73 per cent.) of the members of my union are forced to seek remunerative employment in their vacations, in spite of the detrimental effect this has on their studies, and the disapproval of the academic authorities.

The Association of Teachers in Technical Institutes at their last Whitsun Conference passed a resolution which attributed the fall in the student population to the inadequate level of grants, thus showing that there is no difference of opinion between staff and students on this question.

17 April, 1953]

[Continued]

Now I want to deal with the particular position of the Regent Street Polytechnic. The Polytechnic is situated in Regent Street, the very centre of the West End. Thus, in view of the difficulties of obtaining accommodation in the centre of London and its resultant high cost, it is almost impossible for students to live within walking distance from the college, and they are forced to take lodgings in the suburbs. This may really be seen from the following figures: 41 per cent. of our students spend between $\frac{1}{2}$ hour and 1 hour travelling to and from the college each day; 26.5 per cent. spend between 1 hour and 2 hours travelling to and from the college each day, and 3.5 per cent. spend over 2 hours in so doing, the mean figure being $\frac{1}{2}$ hour each day. Out of the total of 13,822 technical college students in the L.C.C. area, 4,645 live outside the L.C.C. area, with resultant high fares.

A random sample taken recently showed that the average daily expenditure for the return journey to and from the college is 2s. 2d. Thus it will be seen that students already spend a very high percentage of their income on fares.

Furthermore, in view of the geographical location of our college, it is clear that in addition to the above-mentioned daily expenditure considerable expenditure is involved in connection with site and other educational visits which form part of the course, and are often very expensive, the cost of which our students find increasingly hard to meet.

Our sports grounds are at Chiswick, the return fare from Oxford Circus to Chiswick being 2s. 6d. It must also be remembered that students mainly participate in sports activities at the week-end when they travel from their home, the fares thus involved often being much higher. It will readily be appreciated that this expense has a detrimental effect on attendances at the various sports clubs.

Thus it will be seen that any increase, however small, in the fares of students, as well as the general resultant increase in the cost of living, would further accentuate the trends which I have outlined. Furthermore, it has been shown that the position of students differs from that of other sections of the community in that they are unable to secure any increase in their incomes. They are entirely dependent on the benevolence and generosity of the Minister of Education, and past experience, as well as current Government policy, makes it clear that the gap between the cost of living and the level of grants will continue to increase.

In view of the case which has been set out, it will be agreed that any rise in the cost of living bears particularly hard on the student community. A rise of only 2d. a day in fare costs—and in some cases it will be considerably higher—spread over the year represents a sum, which cannot, by the majority of students, be met within their grant income.

On this basis the Students' Council of the Regent Street Polytechnic would ask the Tribunal seriously to consider a recommendation that some form of concession fares should be introduced to students. This is common in many other countries, and it is already available to students under 18 years of age attending a place of higher education.

We would ask you, Sir, to recommend the possibility of this concession being extended to students generally, thereby bringing them more into line with the rest of the community and removing this great difficulty in our position.

(President): The next representation is from the Debden Welfare Advisory Committee, Objection No. 49.

(Mr. Graham): The Debden Welfare Advisory Committee is the body which I represent at this Tribunal. It is supported in this protest by the Chigwell Urban District Council, the Hainault Forest Community Association, whom I represented at the last Tribunal, and over 40 other bodies in and about the Hainault area.

Within this residential area there are two very large London County Council estates containing over 7,000 families, and there are also several other Urban District Council estates with a total population of 78,000, of whom more than 80 per cent., by the nature of the re-housing of these people in these areas have to come to London for work.

(President): Have these houses subsidised rents?

(Mr. Graham): The London County Council houses in the main are subsidised. The area has no direct routes to Dagenham or the Lee Valley, which are the industrial centres concerned, with the result that one has to travel round a circular route to reach them. In these circumstances the cost of fares to the people living in this area is considerable.

The objection to the proposed fares increase can be summarised as being twofold; both the bases of objection are inter-dependent upon each other and inter-related one to the other. Firstly, there is the cost of living; secondly there is what we term to be the special nature of the area in which these people live, and which we feel is comparable to residents of London County Council estates throughout the Greater London area.

At the last Tribunal I made the point that many of these people went out from London to the London County Council estates not from choice, but as the years have gone on since the war and bombing has ceased, this point has tended to become overlooked. They were sent from Central London to live on these estates on the basis of need; that need was divided into need for accommodation and need for re-housing on health grounds.

You raised the point just now, Sir, of subsidised houses, and I would like to make a point on this question, that, especially since the last fares increase, we have had a trend of people who live on these estates coming back to the London area precisely because the cost of living plus the increased fares and the general all-round increases in other directions, namely rates and rents, have forced these people to come back, in many cases, to the conditions from which they were re-housed, and this has in turn meant the re-housing of people in Central London and the rebuilding of that territory. This trend, if continued, will mean that the London County Council estates outside London will no longer be occupied on the basis of need, but on the basis of income and ability to pay.

It is on this ground that I have been instructed, if it please you, to make a formal protest here at the conclusions or deductions that one could draw from the evidence so far submitted to this Tribunal during the course of questions and discussions as to the advisability of presenting a hardship case.

It is our contention that, with all due deference to learned Counsel for the Commission, people do not go to work in order to pay fares, and that generalisations on the amount of money spent in the country as a whole on such things as football pools, television, beer and tobacco do not really show the true position, because when one takes particular cases, as we have attempted to do in our area, the amount is very, very small indeed, whereas the general national income also takes into account many people who cannot afford to pay large sums of money on these amenities and facilities, and people who, we would point out, in many cases can afford different methods of transport such as cars of their own and so on, and are not really concerned with any proposed fare increase.

Taking an average figure of income throughout the year—that is, a man's wage—we have ascertained that a man's average wage is £7 10s. 0d., and I would point this out at the beginning, that this is slightly below the average national level. That again is because we have not in the main in our area industries with a high minimum wage.

Basing it upon a number of subsequent income investigations carried out by members of the Advisory Committee, we have estimated that the amount spent out of that income on fares is approximately 8 per cent.

In order for these parents to stay outside London to give to their children and themselves the benefit in most cases of a first home of their own and the benefit for their children of a garden to play in, more than 60 per cent. of the women in this area go out to work. Unfortunately, as there is very little local employment even in two years from the last Tribunal—as for example, on the Debden estate there is at the present time employment for only 800, whereas over 30,000 people use both Debden and Loughton stations and the same applies to Hainault—the result is that many women have to travel to London in order to get employment and therefore this is representing a trend of affairs, because unfortunately the wage for women is vastly lower than the wage received by men—but they have to pay the same fares.

17 April, 1953]

[Continued]

The local conditions can be summarised as follows: Whereas in Central London and in most parts of London one can get the normal facilities and amenities within walking distance or within at the most a 3d. journey, within the area on behalf of which I am speaking, the very smallest amenities cost between 1s. 0d. and 1s. 10d. return.

For example, for a tenant on the Hainault estate to travel to the Dagenham Civic Centre to see any of the officials there, he pays a 1s. 8d. return. To travel to the nearest shopping centre it is 6d. return. For the Employment Exchange, as I believe was pointed out by a previous speaker, it is 1s. 4d. or 1s. 8d. return, depending upon the part of the area from which they start.

We have, therefore, estimated that the average family spends on what we would term amenity spending approximately 8s. 0d. per week—and in this term "amenity spending" we have included what we feel are the essentials for family life other than that of going to and from their place of employment.

Therefore, taking the average of 60 per cent. of women which I have indicated previously, we have estimated that out of the family income approximately 30s. 0d. per week is spent on fares, which itself represents 14 per cent. or 15 per cent. on fares.

At the last Tribunal I made the point that the British Transport Commission had claimed on that occasion that they were proposing to increase fares only 70 per cent. above pre-war; on this occasion their present claim is that it will only represent an increase of 84 per cent. With relation to the question of people not using the transport service so much and taking other means in order to reduce their expenditure on fares in order that they can use their income on an economic basis, I should point out that in our area there are no other means of transport other than those which have already been tried, namely, mini-motors, bikes and transport of that character. For the majority of the people it is the London Transport Executive or nothing; we depend on the services of the Executive to get to work and to get to the normal amenities for living as human beings.

I would like now to deal with one point which I feel is worth mentioning, and if it has already been mentioned I take leave to ask your pardon. At the last Tribunal great mention was made by Counsel for the Commission on the question of the uneconomic halfpenny and its working; yet we are surprised to learn on this occasion that in order to assist the Commission to get a further income of £13m. this uneconomic halfpenny has been reintroduced to the 3d. and to the 8d. fares. We feel this to be unjustified and we therefore feel that this has been a case of deliberate imposition.

Much mention has been made at this Tribunal of the question of passengers walking fare stages in order to save fares. I would like to give you an illustration, if I may. On the Hainault estate there is a bus-stop known as Regarder Road. The present fare from Regarder Road to Fairlop is 3d., and something like 100 to 200 passengers in the early morning have been in the habit of walking to the top of the Hainault estate down to Regarder Road, and they pass two bus-stops in order to save the extra fare. For the privilege of doing that walk they are now being asked to pay an extra halfpenny.

On the Loughton estate, from Loughton station to the Debden estate, Loughton Hall, the fare has been 3d.; a distance of 50 yards beyond that point it has been 5d. and many people have been doing that uphill walk for the purposes of saving.

In this connection I would remark that many women do their shopping during the day and have walked that distance with full shopping baskets to save the extra fare. Those people are now being asked to pay an extra halfpenny in order that the British Transport Commission shall not lose the complete revenue for the purpose of people walking up that hill.

There is another aspect of family life—that of people living outside London. We make the point that many of them were re-housed from the London area, and therefore have parents who are still living within the Central London area. The result of the last fares increase, which will be aggravated if any further increase is granted, has been to reduce family life among many parents living in the Central London area. They have very seriously to

consider whether they can visit their son and daughter, because at the present rate of fares it means 10s. 0d., and as their income in many cases is not sufficient to meet this, they just do not visit. For the husband and wife, and in some cases two children, on the estate to come out to Central London, it would mean considerably more—

(President): A lot of people have to consider very seriously whether they can afford to visit their parents or families—not merely parents living in London and children who happen to live at Debden, but parents living in London may have children living in Yorkshire or Durham.

(Mr. Graham): That may be, Sir; but the point is that this is not a choice, but a necessity, in order for those people to get a home.

(President): It is very often not a choice that some people go to work in Newcastle; they may prefer to work in Bond Street. Choice is a matter which we all find ourselves having to abandon in some degree or other, do we not, in the sense that we here do not choose to be sitting in this hall listening to you, Mr. Graham? I am quite certain also, in a truer sense, that you would prefer not to be in this hall speaking to us. Very well; go on.

(Mr. Graham): There are, of course, one or two other points I would like to mention in regard to this question of this Fare Charges Scheme, but in order to save time I propose to cut my remarks fairly short.

We have been given to understand that the workings of the British Transport Commission have been given very serious consideration, but we cannot understand the anomalies which still exist within the Charges Scheme as they exist at present.

I would mention one example; from Hainault on the Central Line to Bethnal Green there is a single fare of 1s. 5d.; to one station further on, namely Liverpool Street, the fare is 1s. 6d. To board a train to go to Liverpool Street it is 3d., and we cannot understand how the fraction rate operates to this extent—the distance between Bethnal Green and Liverpool Street is considerably more than one mile.

We therefore suggest that in place of the increased fare charges this Tribunal should reject the Application. In our submission there are other anomalies which could be rectified and which we feel could bring in additional income; we are quite convinced that if there were more early morning road tickets and if there were transfer tickets, many more people would take advantage of them. We do not accept the submission of the Transport Commission that the issue of cheap mid-day tickets would not meet with any worth-while response, because there are no more people to travel. I would only suggest in this respect that the British Transport Commission should visit the West End of London during any mid-day.

With regard to the last speaker at this Tribunal, the spokesman of the students, I would like to add that for pupils who attend ordinary elementary or modern schools over the age of 14 at the present time they have no cheap fare facilities, and we would like to suggest that they should be given these cheap fare facilities precisely because they do not bring any income whatsoever into the family exchequer, and in most cases they are not the subject of any grants whatsoever.

(Mr. Poole): Are they not entitled to a reduction below the age of 18?

(Mr. Graham): No, Sir—from 14 to 16; the children who leave school at 15½ or 16, who attend the elementary and secondary modern schools.

(President): Unless I have misunderstood the Scheme—and at one time I thought I knew it—I thought that anyone under the age of 16 was entitled to a lower fare.

(Mr. Graham): Only when going to and from the school, so far as I understand the Scheme, Sir.

(President): Yes, but what do you want them to do other than going to and from the school?

(Mr. Graham): I am asking that the cheap fare facilities for use other than going to and from the school should be given to them; in other words, up to the age of 14 they have that facility, and I am asking for the extension of that facility to the time of leaving school.

17 April, 1953]

[Continued]

(President): Under the age of 14 you have a privilege, because you are under that age. The other privilege is a special one—what you may call the educational privilege.

(Mr. Graham): Yes, Sir. Fourthly, we would like again to bring to the notice of the Tribunal the very serious anomaly with regard to the early morning tickets themselves. We do suggest that these should be extended to 9 a.m., and that further in the wording of the Transport Act relating to workers the word "manual" should be deleted, and that it should include clerical workers as well.

(President): I do not think there is anything in the present Scheme about manual workers, is there—or clerical, for the matter of that?

(Mr. Graham): I think this is derived from the Transport Act itself, Sir.

(Mr. Harold Willis): I do not know whether there is a confusion here with the shiftworkers' facility. In that case there is some limitation of category of those who are entitled to get them while they are still in operation. But so far as the ordinary early morning travel is concerned, it is merely a question of limitation of time.

(Mr. Graham): Yes, and I ask for that to be extended until 9 a.m.

(President): Yes; it is nothing to do with manual workers or any other kind of worker.

(Mr. Graham): I accept your correction, Sir.

I would like also, if I may, just to bring one further point to the attention of the Tribunal. It has been suggested, and I have put this forward because I have been instructed to do so—I think it was on the Third Day, although I am not sure on this point—that attempts have been made to introduce cheap fare facilities on the transport services without success, and I am asked to bring to your attention the experience of what they term the Starlight Express to Edinburgh.

(President): There you are telling us something which is not new, Mr. Graham; there has been quite a little discussion about it.

(Mr. Graham): Then I will leave that point, Sir.

In conclusion I would like to say that we do feel that the British Transport Commission has approached the problem of their financial problems more in the nature of the village shopkeeper who is the only shopkeeper in the village. The people in the village have to come to him to buy his products because there is no other means of getting the goods which he serves—there are no other shops available. Therefore, we say that the British Transport Commission is saying to the users of its products: "You have to buy at our price". If the present working figures of the Commission show a working surplus—and I believe they do—and if, therefore, the other financial aspects of their policy are outside the jurisdiction of this Tribunal, it would seem to us that it would be in order to ask you as President not only to reject the Application, but to add a rider or recommendation to the relevant body that the financial aspects of the British Transport Commission should be seriously reviewed; because we do feel that the time has arrived when a halt should be called to these fare increases.

I will not go into the details of its effect on the British Transport Commission; I think it has been very successful; but it does seem to us that we are at this Tribunal, as in other Tribunals, considering discussions and hearing objections with regard to the results of a financial policy without giving any serious consideration to the causes of it.

(President): Thank you.

If Mr. Reynolds is here, we shall not be able to hear him today, as it is now 4 o'clock. I regret that, Mr. Reynolds, but these things do happen.

(Mr. Reynolds): I quite understand, Sir.

(President): Very well; it is to be remembered that on Monday we have to stop at 1 o'clock.

(Adjourned until Monday next, the 20th April, 1953, at 10.30 o'clock.)

CORRIGENDA

FIFTEENTH DAY—TUESDAY 31ST MARCH, 1953.

Page 300, Column 1, paragraph 5, line 11: for "hwll" read "hwyl".

In line 24: for "renata, jactabit audacia" read "effrenata, jactabit audacia".

